ESTABLISHED 1887

PARIS, MONDAY, DECEMBER 7, 1992

250,000 Rally In Munich To Protest Racist Attacks

March Is the Biggest In Bavaria Since the End of World War II

By Marc Fisher

Washington Post Service
BERLIN — As dozens of church bells
pealed, more than 250,000 residents of Munich took to the streets on Sunday night, holding candles and standing in silent testimony to their country's growing grass-roots movement against anti-foreigner violence. The Munich march was the largest political

demonstration in the conservative Bavarian capital since World War II. It was the latest in a series of efforts by Germans to show their disgust with rightist attacks on foreigners and their dismay with government policies that many believe encouraged the violence for too

long. (German government and opposition leaders ended months of squabbling on Sunday, agree-ing on changes in a liberal asytum law to help curb an influx of foreigners, Renters reported. [After three rounds of negocations, both sides agreed to changes that will make it easier to turn back a rising tide of asytum-seekers and decide more grightly on groups for political decide more quickly on appeals for political asylum. Wolfgang Schäuble, partiamentary leader of Chancellor Helmut Kohl's Christian Democratic Union, announced the breakthrough at a joint news conference with opposition leaders.

Unlike the huge government-supported demonstration last month in Berlin, the rally in Munich was organized by individual citizens rather than by political parties or other large institutions. Entertainers, schoolchildren and families, all wearing buttons saying, "A city says NO," lighted up the city center in a moving display of flickering candles.

Despite a week-old government crackdown on neo-Nazis, radicals have continued their nightly attacks. There were several assaults on refugee shelters and foreigners during the week-end. At least 20 people, including refugees and Germans, were injured in attacks and brawls in several towns in both Eastern and Western

The weekend attacks brought this year's total to nearly 2,000 assaults, which have resulted in

The Munich rally demonstrates what German leaders believe is a mounting public reaction against rightist radicalism and violence, which have significantly damaged Germany's image in recent months.

A survey published in Monday's edition of the magazine Der Spiegel shows a sharp decline in public sympathy for anti-foreigner attitudes. The poll, by the respected Eunid Institute. reject the rightist slogan "Foreigners out!" has See GERMANY, Page 4



Mob of Hindu Militants Demolishes a Mosque in India

d noty site at Myodifyal The moo destroyed the 16th-century building, using hammers and their bare hands to tear it apart. The mosque stood on a site where Hindus have been frustrated in attempts to begin construction on a temple, most recently by a court order. Page 4.

4 Convoys With Food Break Siege in Somali Capital

By Todd Shields

Washington Post Service
MOGADISHU, Somalia — Relief workers on Sunday moved food from this divided city's main harbor for the first time in nearly a month, sending four convoys through a front line fraught with danger from armed gangs.

The shipment of 1,000 tons from the port in Mogadishu's south to warehouses in the city's north came as 1,800 U.S. Marines prepared to come ashore from ships in the Indian Ocean to set up an operation to protect relief efforts. The

troops are the vanguard of about 28,000 Marines and U.S. Army soldiers that were ordered to Somalia by President George Bush on Fri-

[In Washington, Defense Secretary Dick Chency said on television Sunday that U.S. troops would be in Somalia "within days" and that the military operation would cost \$300 million to \$400 million, news agencies reported. Other U.S. military officials said that the first

troops would be ashore Tuesday. [France, Canada, Belgium, Italy, Egypt, Tur-

assist the United Nations-authorized mission. Of these countries, a French contingent of about 2,000 troops would be the largest. A detachment of about 130 French troops was due to arrive in Somalia from Djibouti on

Monday, defense sources said Sunday in Paris.] The shipment came after relief workers par-ried demands from well-organized looters for a cut of the food. Two convoys traveled to the north side of the city without incident Sunday

key, Kuwait, the United Arab Emirates and morning, and two moved across in the after-moon, said Gemmo Lodesani, deputy director of operations for the World Food Program

> The port, stricken by continual closures when security deteriorates or political disagreements crop up, is considered a key facility for moving relief to more than 2 million Somalis U.S. troops are expected to move into the facility. The truck movement came amid indi-

See FORCE, Page 5

Swiss Voters Reject **Integration With** Europe's Economies

By Alan Riding

New York Times Service

GENEVA — Oping for the security of traditional isolation and neutrality over the risks and opportunioes offered by Europe, Swiss voters on Sunday vetoed a government-backed plan for Switzerland to move toward economic integration with the European Community.

The result of the referendum specifically blocked Switzerland from joining a new cus-

blocked Switzerland from joining a new cus-toms-free European Economic Area embracing the 12-nation Community and seven of its neighbors. But the vote also was seen as rejection of the government's decision to seek full

membership of the Community.

Although the vote was close, with 50.3 percent against and 49.7 percent in favor. Swiss referendum rules also require approval by a majority of the country's cantons. Here the difference was far greater: Sixteen cantons voted "no," while seven voted "yes."

The result also exposed a potentially dange ous split in a multicultural country that has long favored consensus over confrontation. All but one of the German-speaking cantons opposed closer des with Europe, while all six French-speaking cantons strongly backed the

Further, the vote revealed a different kind of social division within the country. By turning their backs on Europe, many Swiss voters, par-ocularly in small rural communities, ignored the recommendation of industrial, banking, labor and intellectual leaders as well as of the

multiparty government.
"Switzerland has renounced the many policical and economic opportunities opened up by the European Economic Area," René Felber, the French-speaking president of the Federal Council, said Sunday night. "It has also broken with its traditional policy of rapprochement

He added: "We have wimessed a grave rup-ture between the federal authorities and the

people. The cleavage between the French-speaking caotons and the rest of Switzerland is a matter of great concern. I hope Switzerland can overcome these difficulties and differ-

Jean-Pascal Delamuraz, another member of the seven-member council, said that Sunday was a "black day for Switzerland."

He warned that European economic integra-tion would proceed anyway and that Switzer-land's "defection" would result in discrimina-

tion, possibly against its economy.

The impact of the decision on the rest of Europe was expected to be mainly psychological. Even without Switzerland, the other six members of the European Free Trade Association — Sweden, Austria, Finland, Norway, Ice-land and Liechtenstein — were still likely to form the European Economic Area early next

The Swedish minister for European affairs, Ulf Dinkelspiel, told Renters; "We will have to go ahead without Switzerland, All the other countries have approved or are approving the pact in their parliaments."

Yet, coming only months after Danish voters rejected, and the French only narrowly ratified, e Treaty on European Union, the outcome in Switzerland served to underline how many ordinary Europeans are skeptical about the whole notion of European unity.

The European Economic Area was agreed on in April when the European Free Trade Association, known as EFTA, decided to join the single market to be created by Community nations on Jan. 1, 1993. Goods, services, capital and people are to move freely through a vast and prosperous region of 375 million consum-

Sweden, Austria and Finland - like Switzerland - saw this single market as the antichamber to full Community membership and

See SWISS, Page 2

Paris-Bonn Cornerstone Is Cracking Under the EC

By Tom Redburn

PARIS — The previously stable bond be-tween Paris and Bonn — which serves as the central axis of the European Community - is

"The biggest mistake is to view the Francoof the Community," said David Roche, chief European strategist for Morgan Stanley International in London. "In reality, it is the biggest question mark of the 1992-1995 period."

On a purely diplomatic level, Paris and Bonn remain practically as close as before. Recently, for example, they forged a compromise on their planned joint defense corps that should allow it to operate in cooperation with NATO. The Bundesbank, despite misgivings among some senior monetary officials, has been unstituting in its support of the French currency.

To emphasize the strength of the governmental relationship, there is even talk in Paris of adopting the same monetary targets as Germany and narrowing the permitted fluctuation of the franc against the Deutsche mark.

Indeed, it seemed just like old times when Chancellor Helmut Kohl and President François Mitterrand met in Bonn at the end of last week for their semiannual conference to prepare a common stance for the European Comunity summit meeting.
"At this historic hour for Europe," Mr. Kohl

said Friday, "France and Germany will, as before, do everything to bring forward the unity of Europe as quickly as possible."

More fundamental economic and trade dis-

putes, however, are starting to drive a wedge between the nations.

In France, Germany's economic downturn and aimless political leadership — both impor-tant contributors to the wave of neo-Nazi at-

NEWS ANALYSIS

tacks against foreigners — bave sparked fears of being dragged down by German disorder and by Frankfurt's single-minded effort to squeeze domestic inflation. French unemployment, already far above the level of Western Germany's, is expected by many economists to rise from just above 10 percent to at least 12 percent next year.

From Bonn's perspective, the entire Paris poliocal clite — cowed by its unruly farmers is running even greater risks by threatening to sink a sweeping global trade agreement with a torpedo aimed squarely at the U.S.-EC farm

See ALLIANCE, Page 2



Somali fighters riding a "technical," or armed vehicle, through Mogadishn. A recoilless rifle is bolted to the floorboards.

Mercy Errands: Where Can Clinton Stop?

By Thomas L. Friedman

New York Times Service WASHINGTON - The decision to intervene in Somalia marks a turning point in U.S. foreign policy. For the first time, American troops are entering a country uninvited, not to shore up an anti-communist regime, protect U.S. wealth or stifle a strategic threat, but

simply to feed starving people.

President George Bush, with the backing of President-elect Bill Clinton, has crossed a red

He has said in effect that because the United States is the world's only remaining superpower it cannot ignore responsibility for humanitarian crises in which only U.S. actions could well mean the difference between life and death for hoodreds of thousands of people. Even though the United States has no military, economic or

NEWS ANALYSIS

pobtical interests at stake in such crises, it must respond anyway, he said. But if halting starvation or upholding human rights are now legitimate criteria for U.S. intervention, as compelling as protecting traditional strategic interests, where does Mr. Clinton draw the new red line? If Somalia, why not Bosnia; if Bosnia, why not Kurdistan; if Kurdistan, why not Haiti?

The problem has particular poignancy for Mr. Clinton, who entered politics as a student fighting the rationale for military intervention in Vietnam and who now must fashion a new rationale as the opening act of his presidency,

In an era when the United States is facing oo major strategic threats from abroad, when it can afford to let its ideals increasingly govern its foreign policy, it will become imperative for the Clinton administration to explain not only where it chooses to intervene but also where it chooses not to. Otherwise every area of the

See POLICY, Page 5

Clinton Chooses Bentsen for Treasury

By David E. Rosenbaum New York Times Service

WASHINGTON - Presidentelect Bill Clinton has chosen Senator Lloyd Bentsen, Democrat of Texas, to be his Treasury secretary, to send the poblical signal that the deadlock between the White House and Congress is over and to assure the financial markets of a calm, steady hand on the nation's economic levers, according to Clinton

But these advisers also said Mr.

that the top candidates for the directorship of the Office of Management and Budget also come from

Wall Street analysts express disappointment. Page 17.

Congress indicated how, after 12 years of Republican presidents, Congress is the only realistic place to turn for experts who have dealt with such pivotal matters as taxes and the budget deficit. Mr. Clinton apparently set aside be more valuable as chairman of the Senate Finance Committee, his current post, and that Republicans might win his Senate seat in Texas.

Senator Daniel Patrick Moyni- economic posts would probably be han, Democrat of New York, said that if he replaced Mr. Bentsen as finance chairman, as he expected, his most important priority would be "to get the president's agenda through."

Mr. Clinton is expected to an-nounce his choice of Mr. Bentsen on Wednesday or Thursday after

from a two-day trip to Chicago and Clinton staff members said that

the selections for some other top

announced then as well. Roger Altman, a Wall Street investment banker who was a student at Georgetown University with Mr. Clinton in the 1960s, is in line to be deputy Treasury secretary, the staff assistants said. The top candidates

See BENTSEN, Page 3

Kiosk

America Wins The Davis Cup

Jim Courier defeated Jakob Hlasek of Switzerland in four sets Sunday in Fort Worth, Texas, to win the Davis Cup for the United States, three matches to one.

John McEnroe and Pete Sampras had come from behind to win Saturday's doubles match against Hlasek and Marc Rosset in five sets, setting up the American triumph. The United States lost to France in last year's Davis Cup final. (Page 21)

Business / Finance China is weighing changes in investment policies to open up its domestic market. Page 15.

Page 22 -Crossword Weather Page 22

An Olympic City, Sloganless? Impossible, Says Atlanta's Booster Squad

By William Booth Washington Post Service

ATLANTA — Think of New York: "The Big Apple." Think of Philadelphia: "The City of Brotherly Love." Think of Atlanta, and what? After 125 years of the most shameless boosterism, this can-do Southern nexus of commerce and

snappy slogan.
With the 1996 Summer Olympics bearing down,
Atlanta's professional image doctors are barking into their cellular phones and skidding around town in their Italian loafers, panicked at the ab-

self-promotion suddenly finds itself without a

sence of a catchphrase to help sell the Atlanta story to the world. Atlanta, once the "Capital of the Lost Cause," rose from the ashes to become the "Capital of the New South," then became "A City Too Busy to

Hate," then the "Black Mecca" and eventually the "World's Next Great City." Now it is adrift, a city without a slogan. In

Atlanta, this is front-page news.
Image consultants produced "Atlanta: Home-

town to the World." But this was met with the kind of derision dumped on the city's most recent public-relations debacle: the computer-generated Olympic mascot, "Whatizit," which many Atlantans, a proud, tomahawk-wielding people, dismiss as "that blue sperm," which it somewhat resem-

One academic wag suggested, "Atlanta: What a Quarter of a Million Confederate Soldiers Died to Prevent." But that is not on the short list.

Recently, the Atlanta Convention and Visitors' Bureau (old slogan: "Look at Atlanta Now") canceled plans to test-market five potential slogans for

a new international marketing campaign. Produced by the international advertising firm McCann-Erickson, the ads met with general eye-

rolling and spontaneous unenthusia Among the also-rans: "Atlanta: What the World Is Coming To," "Atlanta: Hometown to the American Dream" and the vaguely memorable "Atlan-

See ATLANTA, Page 3

THE STATE TO STATE THE TANK AND THE TANK AND

For 3 Ex-Soviet States, a Nuclear 'Moment of Truth' Nears

More than 3,000 nuclear warheads remain on missiles and bombers in the former Soviet republics of Ukraine, Belarus and Kazakhstan, despite their pledges to become nonnuclear states. After talks with leaders there and in Moscow, Senator Sam Nunn, a Democrat from Georgia and chairman of the Armed Services Committee, and Senator Richard G. Lugar, a Republican from Indiana and a member of the Foreign Relations Committee, are meeting this week with President George Bush and President-elect Bill Clinton to urge U.S. action (o hasten denuclearization. Mr. Nunn explained his urgency to Joseph Fitchett of the International Herald Tribune.

O. It would be unprecedented for the United States to conduct major negotiations during a transition between two parties. What is so unusual about the current situation?

A. The next 45 days are a moment of truth for the likely evolution of nuclear forces because these three

MONDAY O&A

countries could be on the verge of getting rid of ouclear weapons — a step no country has ever taken.

They oeed to ratify the START treaty and join the nooproliferation treaty as oonouclear states. Ukraine's parliament is debating this decision, and the outcome there will influence what happens in Belarus and Kazazhstan's readiness to become connuclear. All three committed to doing these things last May when they signed the Lisbon protocol to the START talks with Russia and ourselves.

So this is a moment of great opportunity and also great danger. Even though the probability of a large-scale nuclear war has disappeared, the risk of a nuclear weapon accident has become greater.

We cannot afford any recess of U.S. energies on this problem between now and Jan. 20. Somalia is an

(Continued from page 1)

pact. The French government, al-though desperate to avoid a show-down over the GATT agreement

before the parliamentary elections set for March, may find itself faced

with a choice between domestic up-

heaval and a break with its closest

Community has left Europe adrift. Despite the claim made by French

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ALLIANCE: Cornerstone Cracks

situation as "the most dangerous European crisis in 20 years.

At the heart of the problem is the widening economic disjunction between Germany, along with its smaller satellites both inside and

outside the present Community,

and the other major economies of

"It's a big mistake these days to

Gay Rights Activists Target Nunn

even though both were open

The cases of the two men,

which were first reported in the

Washington Blade, a weekly

newspaper for homosexuals, are

about their homosexuality.

NEW YORK - Senator Sam Nunn of Georgia removed two aides a decade ago because they were homosexual, and gay rights groups are contending that the action disqualifies him from a post in the Clinton administra-

Mr. Nunn, the Democratic chairman of the Senate Armed Services Committee, has confirmed that he asked the two aides to leave because of their homosexuality. He said he had no choice, because his office deals in sensitive security matters and the two men were considered security risks by the Central Intelligence Agency and the Defense Department.

the short list for secretary of defense, we hope it's stricken," The agencies contended that said Robert Bray, a spokesman

ty clearance.

important humanitarian situation, but the future of ouclear warheads squarely involves our national

Q. The Ukrainians seem to be having second thoughts about getting rid of ouclear weapons that might protect them against Russia. What kind of leverage does Washington have with Kiev and Mos-

A. We can work with Russia to provide some reasonable assurances about Ukraine's safety and sovereignty. These are not security guarantees of the sort extended to our NATO allies; that would not be realistic. But we should be able to do enough to convince legislators in Kiev that they will be better

being homosexual made the for the National Gay and Lesbi-men vulnerable to blackmail, an Task Force. "What he did men vulnerable to blackmail, was loathsome and discriminatory. How could we expect a Mr. Nunn points out that he Secretary of Defense Nunn to employs openly gay people in jobs that do not require a securiimplement the rescinding of the anti-gay military policy when he's firing staff members for be-

Mr. Clinton has not publicly addressed Mr. Nunn's removal of the two aides.

being brought to light as gay rights groups are battling Mr. Nunn, who opposes President-elect Bill Clinton's plan to end lo general, Mr. Clinton has said that Mr. Num's opposition to ending the military's ban on homosexuals does not remove him for consideration as defense secretary. Privately, however, the ban on homosexuals in the military.
"If Sam Nunn's name is on Clintoo aides say that Mr. Nunn's comments against lifting the ban could be damaging to him.

> off without nuclear weapons and with our support than they would be the other way around. I think that the Bush administration will be active on that. Q. Money seems to be another thing Ukraine wants in return for giving up nuclear weapons. Is the West ready to meet the demand?
>
> A. It is all part of a broader problem of recon-

structing the entire society in these countries, but specifically on the nuclear issue the United States has agreed to buy highly enriched uranium that is recovered from dismantling ex-Soviet warheads — potentially 500 tons over the next 20 years. Inciden-tally, that is enough fissile material to make more But we need to make sure that Ukraine, and the other two countries, get their fair share of the proceeds from selling us this weapons-grade uranium. So before the contract is finalized, we must insist that the Russians offer a satisfactory revenue-sharing plan. That will help silence complaints among Ukrainians that they got no benefits when all the tactical ouclear missiles were withdrawn from their soil to Russia earlier this year.

Q. What is the advantage of getting START settled without waiting for a new administration?

A. I believe there is a reasonable chance for the United States and Russia to sign a "START 2" accord that would involve making a treaty out of the agreement on deep cuts reached by Bush and President Yeltsin last summer. This would enable us to cut nuclear arsenals in half again and most impor-tantly start eliminating the ground-based heavy missiles with multiple warheads.

Any START 2 treaty will stand a better chance in the Senate if it is signed by President Bush because if President Clinton were to sign any concessions, he would be sharply attacked by conservative Republi-

Q. Do you think that criticism by homosexual rights groups will hurt your political prospects?

A. I have no policy against people who are homosexual working for me. What you have read about is a couple of instances where classified matters were involved. What you have not read about are people who continue to work for me and are treated fairly, who are not dealing with classified matters and have been kept on the job in spite of my knowledge of their homosexual activities.

At the time of the two instances, the CIA and the Pentagon had policies that would have prevented them from handling classified documents. I've said that this issue has got to be rethought by our govern-ment. When it is rethought, then we'll all accommo-

WORLD BRIEFS

Palestinians Reduce Team at Talks

TUNIS (AP) — Palestinians leaders said Sunday that they would send a smaller negotiating team to Washington for the eighth round of the Middle East peace talks, apparently to protest the lack of progress in the 13-month process.

The move to reduce the size of the team appeared to be a compromise by Yasser Arafat, the chairman of the Palestine Liberation Organization, who is increasingly hard-pressed to produce some gains from Palestinian participation in the U.S.-sponsored talks. Radical Palestinians consider the process a sellout.

The statement did not indicate how many negotiators would fly to Washington for the talks, which are to resume Monday.

Oil Slick Spreads Along Spain's Coast LA CORUNA, Spain (Combined Dispatches) — An oil slick from a wrecked tanker continued to coat Spain's northwestern coast on Sunday, despite efforts to prevent it from destroying valuable marine life and

polluting beaches.

The oil had covered an area of 50 square kilometers (19 square miles)

The oil had covered an area of 50 square kilometers (19 square miles)

by early Sunday, and environmentalists feared it could spread as far as 100 kilometers (60 miles) and devastate shellfish beds that provide much of the region's livelihood.

The tanker, the Aegean Sea, ran aground, split in two and caught fire on Thursday while entering the port of La Coruña. (Renters, AFP)

140,000 Tajik Refugees Stranded TASHKENT, Uzbekistan (Reuters) — Up to 140,000 refugees fleeing Tajikistan's civil strife are stranded near the Afghan border in freezing

weather with no tents or blankers, an international relief official said Sunday in Dushanbe, the Tajik capital, quoting Russian border guards.

""" re unable to reach the area, but we are planning our relief operation on the basis of these figures," be said.

Islamic fighters and pro-Communist forces fought artillery duels on

the outskirts of Dushanbe on Sunday, the Russian press agency, Itar-

U.S. Astronomers Question SDI Pl $_{11}$

NEW YORK (NYT) - Astronomers are concerned over plans b, ...e U.S. military to launch a satellite carrying a Russian ouclear reactor in a test for the Strategic Defense Initiative anti-missile system. The astronomers say radiation from the reactor could disrupt operations of several

important science missions.

SD1 scientists have been laying the groundwork for launching the reactor, called Topaz 2, at the end of 1995 or in early 1996. The flight would test ouclear energy as a generator of electricity for operating long-

duration propulsion systems and high-powered sensors considered essential in surveillance and missile tracking.

In a statement, a committee of the American Astronomical Society cited the "deep concern" spreading among scientists and asked that SDI officials be required to demonstrate that the radiation would not adversely affect existing, planned or proposed space missions of any country.

SWAPO Makes Gains in Namibia

WINDHOEK, Namibia (Reuters) - Namibia's governing party, the South-West Africa People's Organization, made hefty gains in regional and local elections in the first voting test of its popularity since independent

dence in March 1990, according to provisional results.

SWAPO won majorities on 9 of 13 new regional councils. The Democratic Turnhalle Alliance won control of three; one region had no clear

Sheikh Asks Freedom for an Israeli

NEW YORK (Reuters) — A Muslim sheikh abducted by Israel commandos in Lebanon in 1989 has called on his "brothers in Lebanon" to release an Israeli Air Force navigator who was captured by guerrillas in southern Lebanon six years ago.

In an interview broadcast Sunday on U.S. television, Sheikh Abdel

Karim Obeid said he had been treated well by his Israeli captors but that his release depended on the freedom of the Israeli, Captain Ron Arad. who has not been heard from since be was captured on Oct. 16, 1986.

"As 1 understand it, neither one of us is going to be released until the other one is released," Sheikh Obcid said.

Fighting in Kabul Leaves 30 Dead

· KABUL (Reuters) — Peace talks began here Sunday as hospital officials reported at least 30 people dead and hundreds wounded in two days of lighting between two groups in Afghanistan's interim govern-

Negotiations for a cease-fire began after fighting between a predominately ethnic Tajik faction led by Defense Minister Ahmed Shah Masoud and a Shiite Muslim group, the Islamic Coalition Council of Afghanistan, spread to central Kabul on Sunday.

TRAVEL UPDATE

Opening of Narita Terminal Marred

TOKYO (Reuters) — A computerized luggage conveyor belt, the pride of a new terminal at Tokyo's Narita Airport, broke down on the building's opening day on Sunday, airport officials said.

Mechanics finally made the system work more than five hours later, the officials said, but not before 11 departing flights were delayed by more than two and a half hours. Porters had to haul luggage on to a backup

A Muslim woman walking past a newspaper klosk in Algiers a few hours before an anti-terrorist curiew officially went into effect. Algiers Cracks Down on Fundamentalists

position to enjoy a strong kick from the extra trade competitiveness flowing from devaluation. Alone among the major nations, France is left inside the currency web with a stumbling but much weightier Ger-

"With an economy that has con-quered inflation and improved its productivity," said Mr. Roche of Morgan Stanley, "France is all dressed up for the ball, but the ball He added: "Growth will not re-

sume in France until it does in Germany, and the German econo-my is headed for a big slowdown over the next two years. How long the French electorate will put up with a barren Franco-German marriage is anyone's guess."

Already, several prominent anti-Maastricht figures in the French neo-Gaullist opposition — Phi-lippe Seguin and Charles Pasqua —

have recommended that a new gov-ernment of the right cut the link between the franc and the mark.

As it stands today, without a

sharp cut soon in German interest

rates that sets the stage for a re-

sumption of European economic

growth, the already visible strains between France and Germany may be stretched to the breaking point.

Henning Christophersen, EC

commissioner for economic affairs,

said recently: "If the European Community is unable to tackle the

problems we have now, it will be

very difficult to explain to ordinary

people what economic and mone-

Briton Is Sentenced

To 50 Lashes by Saudis

The Associated Press

LONDON - A British hospital

manager working in Saudi Arabia

has been sentenced to 50 lashes for swearing at his staff, the Foreign

The Mail on Sunday reported

that David Brown swore at Saudi

employees after an argument at the British-run King Khaled National Guard Hospital. He was arrested

by the religious police and ap-

flogging is likely to be carried out

in public with a bamboo cane, the

paper said. He is appealing the sen-

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Office has confirmed.

tary union is.'

A.M. curfews in several provinces as well as Algiers, the Interior Ministry said.

January in hit-and-run attacks that have killed more than 300 people. The main fundamentalist group, the Islamic Salvation Front, was

A law against "sabotage and ter-

days to surrender to the authorities or face measures being prepared, including military trials and mandatory sentences for certain crimes.

Nearly 9,000 fundamentalists rorism," announced in October, have already been arrested this gave all fugitive fundamentalists 40 days to surrender to the authorities ing held in desert camps.

Earlier, the official APS news

The Interior Ministry warned

agency reported that 43 people, presumed members of an Islamic terror group, had been arrested in

system of trucks and conveyor belts. The new terminal is 1.6 times larger than the first terminal, which is notorious for its congestion. It took four years to build and cost 170 billion yen (about \$1.4 billion).

An Italian rail strike Monday was expected to delay or force the scrapping of hundreds of scheduled runs. State railroad authorities said Sunday that only short-hop commuter runs and several long-distance runs, including some international lines, would be guaranteed during the strike, which was scheduled to end Monday at 9 P.M. The strikers belong to a small union that is protesting plans for "streamlining" operations that might cost jobs or mean longer shifts.

British police officers armed with machine guns searched more than 80 vehicles at roadblocks in London for Irish guerrillas conducting a bombing campaign in the capital, the police said Sunday. (Reuters) This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Ivory Coast, Thailand.

TUESDAY: Andorra, Argentina, Austria, Chile, Colombia, Costa Rica, Guarn, aly, Liechtenstein, Macao, Malta, Monaco, Nicaragua, Paraguay, Peru, Portugal, an Marino, Seychelles, Spain, Varican City, Venezuela. WEDNESDAY: Sri Lanka, Tanzania, Venezuela. THURSDAY: Angola, Equatorial Guinea, Namibia, Thailand.

SATURDAY: Kenya, Mauritania, Mexico.

Sources: J.P. Morgan, Renters.

the Community said that Switzer-land's unique form of grass-roots land would soon be flooded by im-democracy would be undermined if migrants. With many Swiss already Europe has been carried out too far

Switzerland has chosen the opposite direction. The EC commissioner for exter-

nal relations, Frans Andriessen, who conducted negotiations on the European Economic Area, said the Swiss had "opted for isolation" and ruled out any bilateral negotiations on the terms of the accord.

mission. Jacques Delors, said that while he regretted the outcome of the Swiss vote, the other EFTA members would meet with the 12 EC members to see "how the European Economic Area treaty can be changed so it applies to all except Switzerland and perhaps Liechten-

ceded Sunday's vote reflected conflicting messages — economic op-portuoities and political uncertainty -- that Switzerland perceived to be coming from the rest of Europe since the end of the peared before a religious court. The Cold War.

Its political and economic establishment argued that the country would lose its competitive edge if it resisted the movement toward regional economic blocs. Some leadiog businessmeo aod baokers warned that investment would drop and unemployment grow if

cal impact of waves of refugees on Germany, this argument apparently had a strong impact in Germanspeaking cantons. Mr. Delors, in noting the "les- ferring to the EC Commission.

alarmed by the destabilizing politi- away from the people due to lack of tions, including mine," He was re-

AMERICAN

Religious Representation: A Congressional Scorecard

Candidates affiliated with smaller religious groups or with no religious group at all did well this year in congressional elections, according to a survey by Americans for Religious Liberty, a private organization that promotes church-state separa-

Among the larger religious groups, United Methodists and Episcopalians lost ground while Catholics and Jews remained

compared with the 1990 election, the Methodists were down 10 members and the Episcopalians lost 9. The Baptists and Presbyterians each gained 3.

to 10, and the number belonging to smaller religious groups, such as the Greek Ortho-dox and African Methodist Episcopal churches, increased to 26 from 16.

The survey organization's executive director, Edd Doerr, said: "One should not read very much into this. Again and again we have seen that there is a very weak correlation between religious affiliation and politics."

state lockups, created so many problems that the state has been forced to ease off. It now allows smoking in prison yards and other designated outdoor areas. The ban had created a black market that pushed the price of cigarettes to \$40 a pack, and as much as \$3 for a single cigarette.

With surses' pay going up, more men are entering the profession. For years, 4 per-cent to 5 percent of nurses were men, or about 90,000 of 1.7 million last year, ac-cording to the U.S. Burean of Labor Sta-tistics. But men make up about 10 percent, or 19,000, of the current crop of student nurses, the National League for Nursing

from \$25,000 a year in the rural South to \$50,000 a year in major cities. "You never have to be without a job," one male nurse

reports. Registered nurses' wages range

comeback after years when the economy forced many businesses to drop them. But they aren't the lavish feasts that marked much of the 1980s. Battalia Winston International, an executive search firm, said its survey of 100 companies shows that many, after several years of playing Scrooge, are putting on slightly more lavish affairs this year. Of the companies it surveyed, 87 said they were giving parties this year, com-pared with 82 last year. Only 26 are planning less expensive affairs, down from 66

The media have been using hidden cam-eras since long before a New York Daily News photographer, using a camera strapped to his shinbone, photographed the 1928 electrocution of a woman at Sing Sing prison. Today, new video-sound cameras the size of a fountain pen makes surreptitious filming easier than ever. The practice is spreading — and so are the objections. "I just think it's wrong," says Tom Goldstein, dean of the journalism school at the University of California at Berkeley. "Journalists should announce who they are." Richard Kaplan, producer of ABC-TV's "PrimeTime Live," says, "If you misrepresent yourself, it better be for a damned important story,

With all the recent tremors, California's earthquake hot line is heating up. Some people check in so often that the operators fondly refer to them as "quakies." The California Earthquake Safety Hotline Agency opened in early August after two major earthquakes. It has a toll-free num-ber good only in California. One caller wanted to know whether wharves were being erected in Utah, an agency spokesman said, "so when California fell off they would have a place to dock the boats carrying people going out to look for survivors." A frequently asked question is whether the ground can open up and swallow you. "No one we know of has ever been swallowed or trapped inside a fis-sure," the spokesman said, "Cracks can



Compiled by Our Staff From Dispatches ALGIERS - The police reinforced checkpoints here Sunday as the government began a major crackdown on Islamic fundamen-

talists. The streets of the Algerian capital were deserted except for police patrols after a curiew took effect late Saturday night. No huge security reinforcement was noticed, but the police bolstered normal check-

Alglers radio said no incidents had been reported.

In a broad crackdown on the militant Muslim fundamentalists who have battled the government over the last year, Algeria this weekend began a sweep involving

30,000 army and police troops and imposed indefinite 10:30 P.M. to 5 army, police and government repmerda, Blida, Medea, and Bouira. The move, unparalleled in scale

since the fierce mountain battles and street clashes of the war for independence, is the most ambitious effort yet by the military-

backed government.

Armed fundamentalists have battled government forces since

political decisioo-making were

transferred to the Community's headquarters in Brussels. They also

said that the country would remain

an appealing financial safe haven. Perhaps their most effective ar-

resentatives have paralyzed parts of Algeria and diverted the attencitizens in a communique to "obtion of the past year's three adminserve extreme care and attention to istrations from pressing economic any warning shots by security

banned earlier this year after elec-tions were canceled. Its leaders and thousands of followers were arrest-ed.

for what the government said may be an indefinite period. The cur-fews will affect several major cities in addition to Algiers and will cov-

The deadline expired Saturday and the first nightly curfews began

SWISS: Voters Reject Plan for Closer Economic Integration With Europe (Continued from page 1)

had planned to start entry negotiations next year. Now, however, while the rest of Western Europe heads toward closer economic ties,

The president of the EC Com-

The heated campaign that pre-

European ties were rejected. But opponents of moves toward **TOPICS**

about the same, Six groups still predominate: Catholics (141 members in the new Congress), Methodists (65), Baptists (62), Presbyterians (54), Episcopalians (50) and Jews (42), But

Those who declared themselves religiously unaffiliated doubled their number,

Short Takes The only total ban on smoking in U.S. prisons, imposed by Vermont at all eight

Office Christmas parties are making a

appear in the ground, but the ground does not close back up."

Arthur Highee

TRANSITION / ASSEMBLING A GOVERNMENT

Trolling for Options, And New Players, On Foreign Policy

WASHINGTON - While the crisis in Somalia deepens pressure Mr. Moose, as well as Jeffrey on President-elect Bill Clinton to Smith, Mr. Clinton's liaison with fill out his national security team, the Pentagon, and Brian Attwood, Warren M. Christopher, his transihis liaison with the State Departmon director, has been giving some ment. of the advice and counsel normally -provided by a secretary of state, according to Clinton aides.

Mr. Christopher, who served as deputy secretary of state in the Cariministration, is a top confender for the secretary's job in the Clinton administration, along with Representative Lee H. Hamilton of Indiana, Senator Bill Bradley of "New Jersey, Senator Sam Nuon of Georgia, and a newly mentioned long shot, General Colin L. Powell, chairman of the Joint Chiefs of Staff. Clinton aides say General Powell greatly impressed the presi-dent-elect at their first meeting in Washington two weeks ago.

Meanwhile, Samuel R. Berger,

who is heading Mr. Clinton's national security transition team, has begun farming out different parts of the world to experts to help draw up policy options for Mr. Clinton. . At least some of those experts are expected to end up either on ... Mr. Clinton's National Security .Council or in senior State Depart-

ment posts.

Richard M. Moose, an assistant secretary of state for Africa in the Carter administration, and Walter Carrington, a staff member in the . House of Representatives, have been asked to draft policy options on Somalia

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Along with Mr. Christopher, Mr. Berger and two of his two deputies in Little Rock, Leon Fuerth and Nancy Soderberg, have been serving as an informal national security

A Furor in U.K. Over Search for Clinton Data

LONDON — Opposition leaders sharply criticized the govern-ment Sunday over its fruitless search of Home Office files during the

U.S. presidential campaign for potentially damaging information about Bill Clinton, saying the episode might cast a chill over relations between Mr. Clinton and Prime Minister John Major.

Aides to Mr. Major also sought to soften the impact of what looked like three political snubs. Mr. Clinton has decided not to meet

with Mr. Major when the British leader travels to the United States

later this mooth, and both President François Mitterrand of France

and Chancellor Helmnt Kohl of Germany have denied Mr. Major's

requests for one-on-one meetings in advance of the Dec. 11-to-12

European Community summit meeting in Edinburgh.

Although the Clinton camp has indicated that it does not want

meetings with any world leaders before the inauguration in January, spokesmen for Mr. Major had been saying that the two men would

meet before the end of the year. On Sunday, they backtracked.

Government critics suggested that the search, which sought to establish whether Mr. Clinton had ever applied for British citizen-

ship in order to avoid the Vietnam War, might have been part of a

BISMARCK, North Dakota - Senator G. Kent Conrad, Demo-

crat of North Dakota, succeeded in his unorthodox bid to switch Senate seats, winning a special election beld to replace the late Senator Quentin N. Burdick. With Mr. Conrad's victory, the Demo-

crats kept their 57-to-43 majority in the Senate.

Mr. Conrad had declined a race for his own seat, to keep a campaign promise not to run again unless the federal deficit had been slashed, will now serve the two years left on Mr. Burdick's term.

Mr. Burdick died Sept. 8 at 84 after a 32-year Senate career. (AP)

A Timely Donation to the Republican Cause WASHINGTON — Gary L. Wilson, co-chairman of Northwest Airlines, gave \$100,000 to the Republican Party just as the Bush

administration was moving toward approval of two rulings that belped the financially ailing airline. Mr. Wilson wrote checks for \$80,000 and \$20,000 to separate Republican accounts on Aug. 18, according to Federal Election Commission records.

The Bush administration approved an open-skies agreement with the Netherlands, the first such deal with any European country. It

allows KLM Royal Dutch Airlines — which owns 49 percent of Northwest's parent company — to fly to any American market.

Then the Transportation Department gave preliminary approval to the annitrust immunity that Northwest and KLM needed to merge

George Stephanopoulos, Bill Clinton's communications director, when asked whether Mrs. Clinton would sit in on major policy meetings: "Of course, Yeah, Sure. I don't know how you define major, but I expect that action to allow a major policy but I expect that action to allow a major policy but I expect that action to allow a major policy but I expect that action to allow a major policy and the second state of the second st

major, but I expect she's going to play a major role in the White House in assisting the president, advising the president." (UPI)

Democrat is In, Again, From North Dakota

President George Bush's re-election effort.

council on Somalia. They have been drawing information from

Mr. Berger bas also been in regular contact with President George Bush's national security adviser, Brent Scowcroft.

In addition, Representative Stephen J. Solarz, Democrat of New York, who lost his seat in the November election, just visited Haiti-to gather information for a policy option paper on Haiti that the Clinton team has asked him to write. Michael Mandelbaum, a profes-

SOT of international relations at the Johns Hopkins School of Advanced International Studies, has been asked to write the main policy paper for Mr. Clinton on Russia and the other former Soviet republics. He is being assisted by Toby Trister Gati, a Russia scholar who is vice president of the United Nations Association, among others.

Martin Indyk, the director of the Washington Institute for Near East Policy, a leading Middle East research center, has been asked to design policy options about the Arab-Israeli peace talks, which re-

sume next week in Washington.
Gary Sick, a National Security Council expert on Iran for President Jimmy Carter, also has been asked to write a policy paper. Mr. Clinton's aides would not specify his topic. Mr. Sick is the author of a much-disputed essay about allegations that the Reagan administration made a secret deal with the Iranians to release American hos-tages after the 1980 U.S. election. THOMAS L. FRIEDMAN



Mr. Clinton in Little Rock during a jogging break from considering appointments to his cabinet team.

BENTSEN: Texan Is Chosen as Treasury Secretary

list for Treasury secretary - Paul

A. Volcker, the former chairman of

the Federal Reserve Board, and Fe-

(Continued from page 1)

for budget director, probably the most important economic post after Treasury secretary, are said to be Representative Leon E. Panetta of California, a Democrat who is chairman of the House Budget Committee, and Alice M. Rivlin, the first director of the Congressional Budget Office, who is an economist at the Brookings Institution.

Ms. Rivlin was the early betting favorite, partly because of Mr. Clinton's determination to have women in top positions in his administration. But an associate of Mr. Clinton's said the presidentelect's thinking began to change after he read Ms. Rivlin's new book and interviewed Mr. Panetta. The congressman is now said to be the more likely choice.

Io ber book, "Reviving the American Dream," Ms. Rivlin ar-gues for a buge shift away from Washington and to the state capitals of programs such as job training and public works that are intended to foster economic development. That is a sharp contrast to Mr. Clinton's position that his foremost responsibility as presideot is to promote economic growth and job creation.

On the other hand, Mr. Panetta,

a serious legislator with moderate political views and a firm grasp of the budget, was said to have made a . strong impression on the presidentelect during their interview in Little

In selecting Mr. Bentsen, 71, Mr. Clinton turned to a veteran lawmaker whose steady temperament and statesmanlike presence became was the Democratic vice presiden-

tial candidate. A Clinton adviser said Mr. Bentsen's main asset in the president-

clear's eyes was his "deep knowledge of Congress."

"The issue of overcoming grid-lock is fundamental to the success of his presidency, both substantive-

ly and politically," the adviser said. Another senator who has talked with Mr. Clinton about economic appointments characterized Mr. Bentsen this way: "He has an absolute familiarity with all the issues on the table. He has an institutional memory for all the economic decisions, good and bad, in the last generation. He knows taxes. And he has the credentials for fiscal re-

Two others who had been on the

ipal Assistance Corp. in New York. relationship with him over the But they were thought to be unlikely to subordinate their own strong philosophies and ideas to the new president's, Clinton advisers said. Although Mr. Bentsen has nor-

mally voted with the mainstream of his party, be is probably more con-servative than most other Democratic lawmakers and more oriented toward the views of business. As chairman of the Finance

Committee, he has been a strong supporter of tax breaks for real estate interests and oil and gas producers, and he has advocated more favorable tax treatment of the savings of affluent taxpayers.

The Finance Committee also has jurisdiction over such crucial issues facing the new administration as Social Security, bealth policy, trade and welfare, and Mr. Bentsen has mastered those topics more completely than most other lawmakers. Nonetheless, Mr. Bentsen and the others Mr. Clinton picks for the economic positions in his adminis-tration may have only limited influence in developing policy.

The president-elect took such detailed stands on these matters dur-ing his election campaign that the main responsibility of the cabinet members and others will be as implementors and lobbyists with

On Wall Street, the choice of Mr. Bentsen was mostly applanded.

Another Twist To Nixon Tapes

The Associated Press WASHINGTON — Still-secret White House tapes show that Rich-ard Nixon favored planting literature from George McGovern's campaign in the apartment of the man arrested for shooting former Governor George Wallace of Ala-bama, The New Yorker magazine

Mr. Nixon and the White House counsel, Charles W. Colson, dis-cussed how to exploit the attempted assassination for political gain within hours of the May 15, 1972, shooting, the magazine said.

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Away From Politics

Quote/Unquote:

• A former employee of General Electric Co., Chester L. Walsh, has been awarded \$13.4 million by a federal judge for bringing forward evidence that the company defrauded the United States in a scandal involving the sale of military jet engines to Israel. The award was the largest to date under the federal whistle-blower statute.

 Alaska, confronted with public outrage, threats of an international tourism boycott and the biggest black eye to its image since the Exxon Valdez oil spill, has called a temporary halt to its plans to thin its wolf population by shooting 300 to 400.

A dead battery has ended a major NASA experiment aboard the shuttle Discovery to track space debris. Flight controllers at the Houston Space Center decided to give up trying to release six metal balls into orbit, because of an unresponsive battery in the payload bay canister from which the spheres were supposed to have been ejected. Researchers had wanted to track the orbiting balls with radar and telescopes to fine-tune their instruments and improve their ability to track small objects.

• The jury in the Iran-contra perjury trial of Clair E. George has recessed without reaching a verdict. Mr. George, the former deputy director for operations at the CIA, is charged with seven counts of lying to and obstructing congressional committees and a federal grand jury investigating the agency's role in the scandal.

The Atlantic Richfield Co. has agreed to pay \$500,000 to settle a federal lawsuit accusing it of exceeding federal limits on lead in

Eight children were killed when fire raced through e row house in Chester, Pennsylvania, outside Philadelphia. The victims, who ranged in age from 1 to 12, were found huddled in a second-floor bedroom.

• A twin-engine plane crashed into a quarry, killing all six people aboard, while en route to Birmingham, Alabama, from Gainesville, Florida, the police reported in Birmingham.

NYT, LAT, AP, UPI

Job Interview of a Lifetime As a Friendly Chat With Bill

By Richard L. Berke New York Times Service

LITTLE ROCK, Arkansas - After making his way through an elaborate maze of unmarked vans, side of Lone Rangers out there." entrances and road blocks, a prospective cabinet secretary sat face to face with President-elect Bill Clinton for the most important job interview of his life. After all the buildup, there was no interrogation. It was more of a chat.

"It was as if he had a friend over for dinner." the interviewee said.

Another cabinet prospect said he was surprised how little Mr. Clinton had asked him about how he would

run a particular agency. "It was 60 percent personal," he said, "We talked politics. My impression is that the objective of these meetings is to see if there is a chemistry."

The conversations in a private antercom in the governor's mansion may be light, but the meetings could oot be more critical. Mr. Clinton's approach in the interviews, his aides say, reflects his priorities in assembling a government: Beyond the obvious traits of intelligence and grasp of policy, Mr. Clinton wants to stock his cabinet with loyalists with whom he feels

The president-elect emphasized recently that he was concerned about bow one agency "should fit with the other," and his sides said the interviews were playing an enormous role in helping him decide whom he could interact easily with and how well various candidates could work with each other.

"The governor wants to make sure that all the candidates are part of his team," said George Stephanopoulos, Mr. Clinton's communications director. Many senior executives from the That's why the interviews are essential. They are a combination of intellectual exploration and personal conversation.

lix G. Rohatyn, the investment with his politics and personality banker and chairman of the Munic-Other advisers said the interviews were so critical that they meant the end of the line for those candidates whom Mr. Clinton did not find properly engagyears.
"Bentsen has clearly gained the ing or sufficiently versed on policy.

Richard Moe, who was a top aide to former Vice respect of the business community in the Senate," said Donald Mar-President Walter F. Mondale, the Democratic presiron, chairman and chief executive dential nominee in 1984, and who has had contact of Paine Webber, "and I think he is with Mr. Clinton recently, said the president-elect basically a solid choice. The marwanted to do whatever he could to prevent the not-sokets are more comfortable with subtle back-stabbing that permeated the highest ranks known quantities than unknown of past administrations. quantities, and Bentsen is a known

There are a lot of examples in the past where cabinet members did not pull in the same direction

and Clinton is very aware of that," Mr. Moe said "You have to pick a cabinet that is your cabinet, that you are totally comfortable with. You don't need a lot

The fact that they were summoned to Little Rock meant that the two dozen or so candidates who have been there survived the preliminary cuts and were strong contenders: Clinton aides said the parade of

people there was not for public relations value. Although they had been warned by transition officials to keep their trips a secret, several candidates agreed to describe their sessions with the president-

elect on the condition that they got be identified.

Some offered similar descriptions of their talks, saying that although Mr. Clinton had asked many substantive questions about policy, he had usually been just as eager for small talk, from polities to

A few candidates said their conversations, often over coffee or a sandwich, began with Mr. Clinton reminiscing about the campaign. Some said he was concerned with how he could solidify political support in particular regions through his appointments and

"He asked me what I thought we learned from the mistakes Jimmy Carter made," one said. Only when he was well into the seemingly casual

conversations would Mr. Clinton bring up policy, asking questions in a nonthreatening way as if simply to gather information, the interviewees said. As the talk veered into policy, some said, Mr. Clinton would sometimes begin scribbling notes in handwriting that verged on the illegible.
"It was more like a tutorial," said one candidate.

"He took copious notes. He asked an enormous number of questions. I walked him through what I thought were the major problems in various policy areas."

One candidate said that he had known Mr. Clinton

casually for years, but that he had never had as sustained a discussion with him as the recent one in Little Rock. In some instances, interviewees said. Mr. Clinton told them specifically what job or jobs they were up for; in others he spoke in more general terms. Sometimes be mentioned the names of candidates for other posts, apparently to gauge an interviewee's reaction, in an effort to make sure be picked people who would mix well around the cabinet table.

When the conversations turned to policy, some candidates said they were impressed with the depth of Mr. Chinton's knowledge about them and their pet

ATLANTA: A City Heads Off in Search of the Snappiest Sales Pitch

(Continued from page 1)

financial industry said in inter-

views that they were comfortable

ta: Unforgettable." Reported favorite: "Atlanta: Hometown to the

"Pretty inane," said Michael Lomax, chairman of the Fulton County Commission. "American dream? All you have to do is come to Atlanta and interview a few homeless, and that bubble bursts." Hometown to the world?

"Over my dead body," said Col-Campbell, an Atlanta Journal and Constitution columnist who is crusading against slogans that he

suggestions plastic and cynical, added: "The slogans? Most of them, all of them, have damn little to do with the city's sense of itself or what it wishes itself to be."

One thing Atlanta is not is cynical. It is relentlessly hopeful. The visitors' bureau decided to

forget the ads and open the process beyond a roomful of well-heeled. mostly white, mostly male boosters

awash in slogans, heads off in pursuit of another,

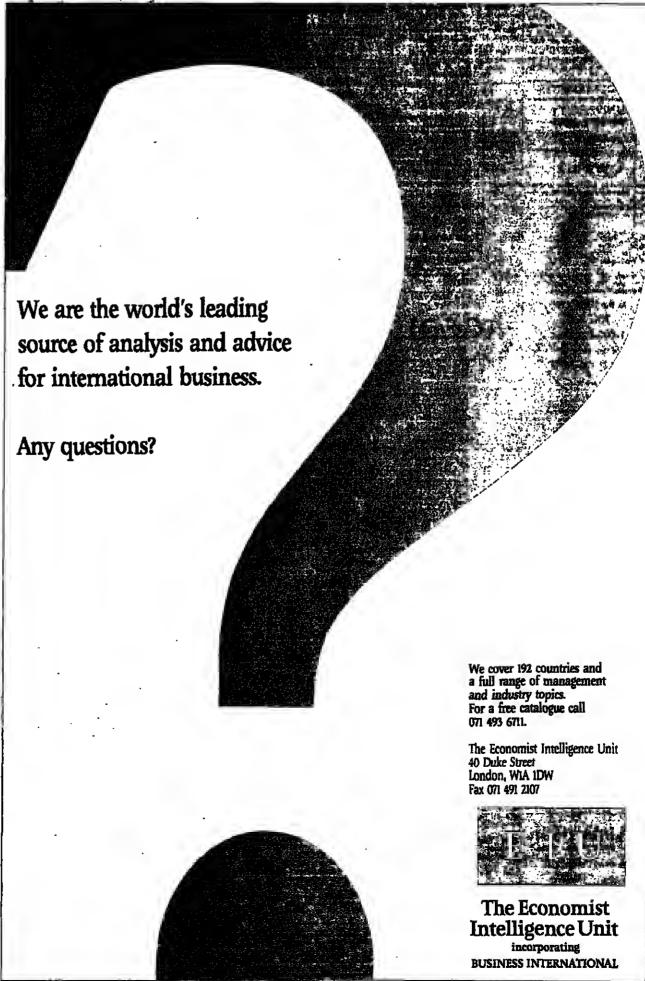
To bear the image doctors tell it. the current round of slopaneering is tionship. nothing less than a noble attempt to crystallize the hopes and dreams, history and vision of a metropolis of almost 3 million people, many of whom have their own ideas about

what Atlanta is all about. "This is not about a slogan," said who represent the downtown busi-Joel Babbit, the city's new market- this. That's the whole point."

merrily considers "the work of highly paid idiots."

Mr. Campbell, who found the ness establishment that serves as ing and communications chief. He envisions the city's coming together to produce "a positioning," a sort of lofty statement, a kind of personal ad that describes Atlanta and what it seeks in a rela-

> "The point of all this is that the eyes of the world are now on this city." be said. "We need to attract more business to pay more taxes so we can have more money so we can buy for our citizens a better quality of life. We got to make money off



By Steve Coll Washington Post Service

BONN - As Iran rebuilds its civilian infrastructure and rearms its military with the help of Western investment and technology. Tohran is turning increasingly to Germany, whose officials are approving 80 percent of applications by companies seeking to export sensitive civilian high technologies

"Despite tough new export controi laws, adopted after embarrassing revelations that German companies sent deadly technologies to Irag and Libya during the late 1980s, Germany has in the last three years become the single largest exporter to Iran. The trade has been bolstered by government policy that has resulted in approval of a sizable majority of Iranian export

.. (Continued from page 1)

jumped from 43 percent to 69 per-

cent in the two weeks since a neo-Nazi arson attack killed three

Turks who were longtime residents

In addition, the survey showed,

the proportion of Germans whn say they "understand right-wing radical tendencies because of the

foreigner problem" dropped from

on neo-Nazis - including the for-

mation on Friday of a multiagency

task force designed to put legal, police and political pressure on radicals — both anti-foreigner vio-

lence and its damage to Germany's

Two unidentified U.S. banks

have canceled plans to invest in

Eastern Germany because of anti-foreigner incidents, according to an

But despite Bonn's crackdown

33 percent to 12 percent.

image abroad persist.

of Germany.

interviews with officials who cited unpublished export data.

These officials argued that a new system of controls ensures that Iran is not using German technology for military ends, despite the relatively high rate of license approvals. But other analysts doubt that the new system is as effective as Bonn officials believe.

The applications with the 80 percent approval rate involve "dual-use" technologies that can be employed for either eivilian or military purposes. German officials did not disclose exactly which items on this list of technologies they have authorized for export to Iran. The list includes such technologies as sophisticated metals, precision machine tools, advanced electronies, high-speed computers, avionics, navigation equipment, night-vision equipment, sensors license applications, according to and noncivilian aircraft parts.

GERMANY: 250,000 Rally Against Racist Attacks

official who was quoted by the

newspaper Bild am Sonntag. The Treuhand, the agency charged with

selling off properties of the former

the banks had been joined by French and Italian investors in

pulling out of deals because of the

structure companies and invest in them," Treuhand's director, Lud-

wig Trenker, told the newspaper.

Van Gogh Painting Sold

The Associated Press

PARIS — A landscape by Van Gogh, "The Gardens of Auvers,"

was sold far 55 million francs (\$10

millinn) Sunday to Jean-Mare

Vernes, a French businessman. The

painting was one of Van Gogh's last before he died in 1890.

"The Americans wanted to re-

unist East Germany, said

ny, the United States and other growth for 1993. countries, and diverted some of them to build conventional armaments and to bolster secret chemical and nuclear weapons programs.

Recent U.S. intelligence estimates have warned that Iran is rebuilding its economy and military in an effort to assert itself as a major power in the Gulf, and that it is pursuing chemical, biological and nuclear weapons. But European governments tend to describe Iran's reconstruction as less menacing and more a case of a financially overstretched, war-shattered nation struggling to get back on its

At the same time, export-dependent, economically stagnant European countries such as Germany are eager to find growing markets

"But they dropped their plan fnl-lowing the wave of xenophobia."

Conservative Germany Forum.

ing foreigners into German society.

The new political group also seeks

a stronger police force and a sim-

pler process for deporting criminal

Mr. Kohl and other members of

his party's mainstream denounced

Iraq and Libya earlier acquired leading panel of economic advisers similar technologies from Germa- has projected zero economic

> Germany prohibits exports to Iran of direct military equipment or nuclear technology, and Bonn officials said they have rejected all export license applications by Ger-Tehran. The 80 percent approval rate for 1992 involves what Germany calls its "C list" of controlled technologies - virtually the same list of high-technology items that Western countries earlier tried to prevent from reaching the former Soviet Union and its allies during

During the first nine months of this year, Germany approved about 200 applications for exports of these kinds of sensitive technologies to Iran and rejected about 50, according to officials at the Federal Export Office.

A smaller category of license ap-plications involves cases in which a German exporter has reason to believe that his Iranian buyer may have military connections. In such cases, the exporter must seek an export license no matter what kind In a new sign that the country's of product he intends to sell, even if economic and social ills are shifting Germany's political center at least slightly toward the right, a group of it is something as harmless as paper clips. German export authorities disaffected members of Mr. Kohl's party this weekend created a right-cent of these kinds of applications party this weekend created a rightinvolving Iran, officials said. ist offshoot called the Christian-

The value of Germany's exports The Forum, founded by 192 to Iran is projected at more than \$5 members of the Kohl party, includ-ing 11 legislators, called for a firm rejection of "the utopia of a multi-cultural society," the term used hy Germans who advocate assimilatments about an expanded embargo nf sensitive exports to Iran. The talks so far have been preliminary. but German officials and business executives said they doubted that Bonn would go along with Washington's embargo idea, in part because Germany has already adopt-ed stricter export controls than the rest of its European competitors in the lucrative Iranian trade.

Besides Germany, Western countries participating in the ex-port boom to Iran include Japan, Italy, Britain, France and the United States, whose exports have risen from none in 1989 to a projected level of more than \$600 million this year. In addition, U.S. oil companies have become some of the biggest huyers of Iranian crude exparts. Last manth, however, Congress passed a law that would sharply limit U.S. high-technology exports to Iran.



A Communist supporter burning a picture of President Boris N. Yeltsin during an anti-government protest in Red Square in Moscow,

Yeltsin Barely Defeats Rivals in Congress

By Celestine Bohlen
New York Times Service

MOSCOW - President Boris N. Yeltsin of Russia prepared Sunday for a new attack on his government after barely surviving the most serious challenge yet mounted by a conserva-tive parliamentary opposition intent on altering the course of his economic program and curb-

ing his powers. In an important parliamentary test expected Monday, the Congress of People's Deputies will vote on Mr. Yeltsin's nomination of Yegor T. Gaidar to the post of prime minister. Mr. Gaidar currently holds the post in an acting capacity, and some members of the opposition said the Congress might vote to leave Mr. Gaidar in that position.

In secret balloting on Saturday, the Congress fell a few votes short of adopting constitutional amendments that would have diluted Mr. Yeltsin's control over the government and given new powers to a parliament dominated by an increasingly militant conservative majority.

Mr. Yeltsin had made a strong appeal to the Congress, warning that a shift in the balance of power would harm the country and lead it to

But even after his warning, 693 delegates of the 1,041-member Congress voted for one of the disputed measures - exactly one less than the two-thirds majority required to amend the Russian Constitution. Other similar measures

lost by four votes. The close call was not lost either on the

By Edward A. Gargan

New York Times Service

thousands of Hindu militants stormed a 16th-

posed to the institutions, principles and ideals on which the constitutional structure of our

"What has happened today in Ayodhya where the Ramjanambhoomi-Babri Masjid structure has been demolished is a matter of

great shame and concern for all Indians," the

prime minister said. "This is a betrayal of the

with hammers and their bare hands.

AYOUMYA, I

legislature or on chastened members of Mr. parliament greater authority over the elimina-Gaidar's government.

The parliamentary speaker, Ruslan I. Khasbulatov, called the votes a Pyrrhic victory fur the government, and considering the pressure exerted on the delegates "in all thinkable and unthinkable ways," a "triumph for the Con-

"I would like to tell our executive power directly: Draw conclusions from these results of the balloting, and if you will continue to strive for autocratie rule, then this Pyrrhie victory will be the last and the final one," Mr. Khasbulatov said.

Economics Minister Andrei A. Nechayev agreed that the Congress had proved itself to be a significant opponent. The narrow victory was "of minimal satisfaction to the executive branch," he said, but added, "I think in any case, we did not upset the brittle balance of powers that existed in Russia."

The key votes were on a set of amendments that would have required the president to get the parliament's approval on the nomination or dismissal of top cabinet ministers, ranging from the defense minister to the head of the state privatization committee.

Under the constitution now, only the president's nominee for prime minister must be confirmed by the Supreme Soviet, the standing parliament whose members are drawn from the

The amendment that fell one vote short of the two-thirds majority would have given the

tion of government ministries and agencies. While many other countries require legislative approval of nominees to top government posts, the issue in Russia has developed into a power struggle, reflecting the tense stalemate

that has developed between the executive and the legislative branches. Parliamentary control over the government is one thing, Mr. Yeltsin told the Congress on Friday. But it is another if control becomes "surveillance, when one step to the left or one step to the right is regarded as an attempt to escape," he said.

In all, the Congress considered a package of nine amendments to the constitution, of which four were approved by the required two-thirds majority. One of those was an amendment to the land law and will allow private ownership of

and in Russia, but with restrictions. Other adopted amendments give the government the right to initiate legislation and require the president to get parliamentary approval for the creation or dismantling of government

Another constitutional amendment would have made the old czarist crowned doubleheaded eagle the national symbol of Russia, but it fell short even of a majority, leaving the Communist hammer and sickle as the country's

The results showed that centrist factions, which had been openly courted by Mr. Yeltsin in the weeks before the Congress, joined in the

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LONDON - Queen Elizabeth II's only daughter, Princess Anne, will remarry, becoming the first member of the royal family to do so after a divorce since Henry VIII in the 16th century.

Initial reactions indicated that news of a royal wedding was likely to give a lift to the royal family, which has been criticized recently about matters ranging from the family's behavior to their exemption from

Princess Anne, 42, who divorced Captain Mark

Phillips in April, is to marry Commander Timothy Laurence, 37, of the Royal Navy. Buckingham Palace

The wedding ceremony will be from the Church of Scotland, because as a divorced member of the royal family, Anne cannot be remarried in the Church of

(Reuters, LAT)

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did not set a date for the wedding, which is likely to be a private ceremony at a church near Balmoral Castle in Scotland, but it was believed that it could take place as early as Saturday.

the new group,

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nation and a confrontation with all that is sacred to all Indians as the legacy which we have inherited as a part of our national ethos." The Indian Army was put on alert in six states, and curfews were declared in many cities and towns with mixed populations of Hindus and Muslims. In the city of Allahabad, the army marched through the streets in a show of force and an indefinite curfew was declared. The demolition marked the first time that

republic has been built."

Hindus have razed a mosque since the country was partitioned from the Muslim state of Pakistan in 1947. The Organization of the Islamic Conference

accused the Indian government on Sunday of allowing Hindu extremists to demolish the mosque and demanded punishment of the van-dals. The Associated Press reported from Jidda, Saudi Arabia. Hamid Gabid, secretary-general. of the 50-member organization, which serves as an umbrella group for the world's 1 billion Muslims, said, "The OIC draws the attention of the Indian government to the serious perils stemming from the attack on the mosque.")

stemming from the attack on the mosque.")

Hindu revivalist leaders from political and religious groups had called for hundreds of won the day, and in the hours before noon,

Frenzied Mob of Thousands Storms Disputed Holy Site come here Sunday to begin work on the con-Ram, and to destroy the Babri Masjid mosque, which Hindu fundamentalists say was built on

century mosque here Sunday and demolished it the very spot where Ram was born. The mosque, in disuse for some time, was built in 1548. The three-story structure, blackened with age, was topped by a large central dome and two smaller domes on each side. The act of destruction raised the danger of renewed confrontations between the country's Hindn and Muslim populations, conflicts which have claimed tens of thousands of lives in sectarian riots over the last four decades.

Prime Minister P.V. Narasimha Rao ad-Under each was an arched gateway, but in recent times only the central gate remained;

dressed the nation Sunday night, speaking, he said, "under the grave threat that has been India's supreme court last week issued an injunction against starting construction on the temple, which is to be built on the land occupied in part by the mosque, and said that the mosque itself should remain intact.

For the past week, tens of thousands of Hindu activists have been streaming into Ayodhya, sent here from around the country by organizers from the Rashtriya Sevak Sangh, or National Volunteer Force, a semifascist organization; the Vishwa Hindu Parishad, or World Hindu Council; and the Bharatiya Janata Party, the Hindu political party that is the principal opposition party in Parliament.

The activists, called kar sevaks, or volunteer workers, were told that they would begin building an immense temple to the god Ram at precisely 12:26 P.M. on Sunday.

Throughout the week, Hindu leaders issued a stream of statements, sometimes vowing to abide by the court decision to desist from construction work, at other times launching fiery broadsides at the court and the prime

On Saturday, Hindu leaders met here to decide whether to proceed with the temple's construction, and thus violate the court's order, or to engage in a symbolic exercise of clearing the ground on which the temple would be built, an activity designed to placate the passions of many of the militants that had gathered here.

minister for obstructing Hindu aspirations.

thousands of activists from around India to organizers kept reiterating that the day would

the mosque and start work on the temple regardless of what their leaders said. One, Anu Aggarwal, who said be was from New Delhi, was among a group of militants waving swords, clubs and iron pipes. Like nthers around him, he wore a saffron band around his forehead. "This is to show we will die for

Ram," be said. Shortly before noon, several dozen holy men, their foreheads daubed with sacred paints, sat in a circle around a mammoth well that had been dug in front of the mosque, waiting to begin the ritual chanting and praying that would mark the start of the ceremony.

Some of them waved tridents, others mumbled prayers to themselves, still others chatted with their colleagues, waiting for the signal that it was 12:26 and they should begin the elabo-

rate prayers they were to offer.

Then suddenly, as shouts of "Jai Shri Ram," or "Hail Lord Ram," rent the air from a throng of militant Hindus, franzied mobs of young men charged through a frail and unresisting line of police and began heaving bricks and rocks at a second phalanx of police gnarding

the mosque.

In a matter of moments, a handful of the young men had scaled the steel pipe and barbed wire barricade around the mosque and quickly

clambered atop the mosque's domes.

With thousands of onlookers screaming the praises of Ram, some of the men began smash. ing the cement domes with hammers.

The police quickly melted away, leaving the mosque underended. When it became apparent that the police would not resist their assault, the trickle of Hindu militants over the fences became a flood, and thousands of saffron-clad

supporters shouted their encouragement.
Young toughs from one Hindu group turned
on members of the foreign press, beating them,
smashing cameras and ripping their notebooks away from them.

The correspondent for the Voice of America, Peter Heinlein, was knocked unconscious when a militant smashed him in the head with a club.

Electoral Panel Bars Panic's Bid Again

BELGRADE --- Serbia's elector-

al commission on Sunday again rejected a bid by the Yugoslav prime minister, Milan Panic, to run for grounds that Mr. Panic had not

consider its earlier rejection, on the

the Serbian presidency, ignoring a court ruling in his favor.

The Tanjug press agency reported that the commission met to re-Mr. Panic, who has promised to

end ethnic conflict in the region if elected, is seeking to run against Slobodan Milosevic, the hard-line nationalist who is widely blamed for the fighting, The commission said the court's

ruling "is not in keeping with the presidential election law, as no proof exists that Panic applied for permanent residence before June 8 this year." A Yugoslavia-born U.S. businessman, Mr. Panic has been prime minister since July.

A poil published Sunday by Tanjug showed that among 1,000 respondents across Serbia, 29,9 percent support Mr. Milosevic in the Dec. 20 balloting, while 27.1 would back Mr. Panic.

In Bosnia-Herzegovina on Sunday, fighting around Sarajevo's airport posed a new threat to the besieged capital's aid lifeline, and left most of the city without water, electricity and telephone service.

The surge in fighting between Serbs and Sarajevo's Muslim and Croatian defenders could force United Nations relief officials to halt a vital airlift of supplies.

Flights were suspended last week after two UN planes were hit over Sarajevo. A meeting in Geneva on Monday is expected to decide the fate of the airlift, including the possibility of indefinite suspension, UN officials said.

UN sources said fighting was also going on in Otes, about eight kilometers (five miles) from the center of Sarsjevo. Serbs said they had captured the Muslim suburb Saturday night.

■ Slovenia President Leads President Milan Kucan, who led Slovenia through its 1991 secession from Yugoslavia, was headed for re-election with 66 percent of the vote, Retiters reported Slovenian television as saying Sunday from Ljubljana. The prediction was based on the station's count from 51 polling stations after the polls

Herald Eribune.

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Anatomy of a Decision: How Bush Made Up His Mind to Send Troops to Somalia

By Don Oberdorfer

Washington Past Service
WASHINGTON — The crown princes of the Bush administration were gathered in the White House Simation Room two weeks ago to discuss the crisis in Somalia when Admiral David E. Jeremah, the vice chairman of the Joint Chiefs of Staff, announced to general surprise that deployment of U.S. ground troops could end the violence in Somalia and see that

its people were fed within a short period.

The Nov. 21 meeting of the Deputies Committee, a National Security Council panel of officials just below the cabinet level, was the turning point in the deliberations that led to President George Bush's order Friday to send thousands of American troops to Somalia, parucipants in the discussions sav.

Until the statement of Admiral Jeremish deputy to the chairman, General Colin L. Pow-- the widespread assumption had been that the U.S. military would resist extensive involve-ment in Somalia. It had resisted involvement in a less costly and less dangerous relief airlift to Somalia last summer, and continues vigorously to oppose involvement in the bloody ethnic

As the United States feels its way toward new international roles in the post-Cold War world, the deliberations and decisions of the past several weeks may have more than fleeting signifi-

Unlike previous large-scale military operations, there is no U.S. strategic or economic interest in the Somalia deployments, as the security council deputies agreed at the start of

The U.S. action in Somalia, which has star-

As Bosnia and many other conflicts testify, however, U.S. policymakers are not prepared to

intervene in every such crisis. Two important criteria for the administration in Somalia were the scale of the disaster and the likely effectiveness of U.S. interven-

"This is a tragedy of massive proportions," said acting Secretary of State Lawrence S. Eagleburger, "and, underline this, one that we could do something about. We had to act."

The most persuasive argument in favor of action during the weeks of internal discussions of Somalia, said a senior White House participant, was that "it's a need where the need is crying and where only the United States can do something."

A senior Pentagon official said that he was not surprised by the president's decision.
"I had the feeling that oo matter what was said, he would not want to leave office with 50,000 people starving that he could have saved," the official said.

The contrary view, expressed in colorful lan-guage in a diplomatic cable from the U.S. ambassador to Kenya, Smith Hempstone, and made public this weekend by U.S. News and World Report, was that "if you liked Beirut" where U.S. Marines in the early 1980s fought a losing battle against local terrorists, "you'll love Mogadishu." Mr. Hempstone predicted that "it will take five years to get Somalia not on its feet but just on its knees.

in the absence of fundamental change, be said. U.S. intervention will only "keep tens of thousands of Somali kids from starving to

a term that was beard from U.S. military representatives before the military view changed a few days before the Bush decision. Admirals and generals around the interagency conference table also had spoken of Somalia as "a quag-mire," said a civilian official who favored U.S.

The United States has been in the forefront of supplying food aid to Somalia through the International Committee of the Red Cross and private voluntary relief organizations. By this summer, however, the local distribution chan-

"This is a tragedy of massive proportions. We had to act.'

Lawrence S. Eagleburger

nels for food shipments were increasingly blocked by clan violence. To get around this problem, administration officials began discussing a U.S. airlift, especially to the interior of the country that was cut off from the relief

Pentagon representatives were reluctant even to consider an airlift when an interagency com-mittee discussed it in early August. Along with some in the State Department worried about the escalating costs of UN peacekeeping opera-tions, the Joint Chiefs of Staff considered Somalia "a bottomless pit" for U.S. involvement, according to a participant in the meetings.

But Mr. Bush — whose attention had been

set of priorities, including a growing belief here that only the United States is equipped to lead efforts to deal with some international crises and disasters.

death in 1993 who, in all probability, will starve to death in 1994."

A Day in Hell, about a trip to Somalia — decided at an Aug. 12 meeting with senior a term that was beard from U.S. military representations of the airlift anyway. The emergence of the start of the airlift anyway. gency food airlift was announced two days

> U.S. foreign policymaking had gooe into low gear during the presidential campaign, but after the election, pressure grew oo several fronts for more dramatic action in Somalia.

On Nov. 12, Assistant Secretary of State Robert L. Gallucci, the department's chief of pobtical-military affairs, recommended in a written paper and an oral appeal to Mr. Eagleburger that the United States lead a coalition to save Somalia from starvation under a UN Security Council authorization to use "all necessary means," including armed forces. Mr. Eagle-burger, convinced by Mr. Gailucci's arguments, became an advocate of more forceful U.S. ac-

On Nov. 16, senior representatives of U.S. relief organizations working in Somalia met with UN officials in New York and appealed for more protection. The next day 11 relief groups began drafting a joint letter to the Bush administration calling for expansion of the UN force and UN mandate and declaring that "humanitarian agencies cannot work effectively in Somalia without greater security."

The first of four NSC Deputies Committee meetings leading to the Bush decision to send U.S. ground troops convened at the White

Frederick C. Cuny, a bumanitarian relief expert who was a consultant for the U.S. Agency for International Development in Somalia, briefed officials in the State and Defense de-partments shortly before the Nov. 20 meeting. He advocated using 2,500 U.S. troops with air

and naval support to open and improve supply who declined to be interviewed for this article, lines. At the time, this was considered a very said "mounting evidence" of the dimensions of

bold proposal. In the first day of interagency discussions, Undersecretary of Defense Paul Wolfowitz hinted at the possibility of using U.S. ground troops, but the general representing the Joint Chiefs, the uniformed military, said little. Earli-

'I had the feeling that no matter what was said, he would not want to leave office with 50,000 people starving that he could have saved.'

A Pentagon official

er in the week, Secretary-General Butros Butros Ghali had appealed for more U.S. help in a conversation with Undersecretary of State Frank G. Wisner but had not requested U.S. troops. In view of that conversation, many around the table thought that the introduction of American troops was unlikely to be seriously

On Nov. 21, the second day of discussions, Admiral Jeremiah startled the group by saying that "if you think U.S. forces are needed" on land in Somalia, "we can do the job," one participant said. Although he also expressed concern about the circumstances under which U.S. forces could withdraw, his statement made

the ground-troop option a leading possibility.

What brought the shift in Pentagon thinking is a matter of speculation within the administracion. An official close to General Powell, said "mounting evidence" of the dimensions of, the tragedy in Somalia, some of it validated by-U.S. military officials on the ground, convinced the Joint Chiefs that something substantial should be done.

Another official familiar with the thinking of General Powell and Defense Secretary Richard-B. Chency said they were willing to "do more than put a Band-Aid on the problem" because the situation in Somalia was so stark and "what

we do can make a big difference." A senior State Department official said. There was never any doubt in anybody's mind that if you really wanted to be absolutely certain to deliver the goods on time, you go with the U.S. military."

The question being asked, he added, was whether the Joint Chiefs would agree to intervene "in an obscure African situation loaded with uncertainty and full of chaos." The military "came forward" after deciding it was a workable mission, the official said.

Mr. Bush had been told by Mr. Butros Ghali in a conversation at the White House in May that Muslims were aroused by the UN's failure to protect their co-religionists in either Bosnia or Somalia. "Can't we do something about Somalia?" he asked Mr. Bush.

Two more Deputies Committee meetings were held at the White House, on Nov. 23 and 24, to refine options for consideration by Mr. Bush. Meanwhile, Mr. Cheney and Mr. Powell were thinking harder about the dangers of U.S. military intervention, especially after a briefing on the morning of Nov. 24 by Brigadier Gener-al Frank Libutti, commander of the U.S. airlift operations into Somalia. If the United States were oot careful, he said, its troops would be in Somalia for 10 or 15 years.

POLICY: Clinton on New Ground

(Continued from page 1)

world will come clamoring for help. "The challenge for the Clinton presidency will be twofold," said Michael J. Sandel, a political scientist at Harvard University. "On the one hand, be will have in articulate clearly the principles on behalf of which we may need to intervene — whether it is upholding buman rights, averting starvation or pro-

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But oo the other band, Mr. Sandel said, those principles will have in be tempered by sober practical considerations about where Washngton can be effective at a cost tolerable to the public.

Clinton will have to be honest with the American people about both the principles justifying inter-vention and the practical considerations that might restrain such ac-tion," Mr. Sandel said, "Otherwise he will seem inconsistent and hypo-critical and ultimately undermine the domestie consensus for inter-

Mr. Bush has tried to make those distinctions with deeds instead of words. First be intervened to rescue Kuwait, after an invasion by Iraq: it was the first time since the Kore-an War that U.S. troops led a coalition to uphold the United Nations Charter and the principle of the

sanctity of international borders. But that step was made easier by the fact that behind the diplomatie principles at stake in the Gulf were oil flows and strategic concerns

about Iraq's growing arsenal. Mr. Bush's latest decision goes a step further, and through his acions in Iraq and Somalia he has defined his vision of the boundaries of U.S. post-Cold War interven-

There are the cases, Iraq for exmple, where principles and major strategic interests virtually demand that Washington organize an inter-national coalition to respond.

And there are the cases, Somalia for example, where there are principles but no strategic interests at stake — or real opposition forces

on the ground. This makes it relatively easy for Washington to organize an international coalition to

The struggle comes in dealing with problems that fall between the poles of Iraq and Somalia. In Bosnia, for example, there are

just enough strategic interests and human-rights factors at stake to draw world attention and invite action. But there are too many armed forces on the ground to make intervention easy, and the strategie in-terest at stake for the United States too limited to justify the potential costs in U.S. lives. Mr. Bush was enunciating a new

rationale for U.S. foreign policy when he said on Friday: "In taking this action, I want to emphasize that I understand the United States alone cannot right the world's wrongs, but we also know that some crises in the world cannot be resolved without American iovolvement, that American action is often necessary as a catalyst for broader involvement of the community of nations."

Mr. Clinton has avoided detailing his own vision. His spokesman, George Stephanopoulos, under-scored Mr. Clinton's support for President Bush's decision. When Mr. Stephanopoulos was

asked later that was a harbinger of the Clinton foreign policy, he said: "Well. I don't know if I can comment on that kind of a hypothetical. But at the moment, Governor Clinton supports this operation.

Clinton aides say privately that they are increasingly aware that while Mr. Bush is making the tough decision to go in, Mr. Clintoo will be saddled with the even tougher decision of how to get out. And they are worried that it could divert Mr. Clinton from his campaign yow to remain focused like a laser beam" on the economy.

Well might they worry. Harry S. Truman first described the U.S. intervention in Korea as a police ac tion. His successor, Dwight D. Eisenhower, found it to be semething

FORCE: Aid Trucks Break Siege

ed from page 1) cations of initial contacts between planners of the U.S. military inter-

vention and the relief community. The United Nations port captain here received a telephone call from a U.S. admiral asking questions about such matters as the depth of the harbor channel and the length of the quay, a relief source said.

And, said one relief official, two Department of Defense officials were expected to discuss security measures that the relief groups could take, especially in the hours surrounding the initial U.S. troop

But, said the official, relief workers still had not had even mitial consultations about meshing their plans with the American military

Relief groups say they are unsure how the troops will affect longestablished security routines, such as the hiring of armed guards, and whether the military will take on a umanitarian role beyond guard duty by, for instance, rebuilding

roads in stricken areas. Mr. Lodesani said the prospective American arrival has let him take a tougher line with the gunmen's efforts at extortion. He said he refused demands from a group of gunmen long-established along the truckers' route for an immediate 20-ton payment to ensure safe

"We said we are not going to play the game any more." Mr. Lo-

■ Turnover Planued

Mr. Cheney said U.S. officials hoped in begin turning some areas over to UN peacekeepers by the

Bush to Get Kuwaiti Degree

KUWAIT - Kuwait University will award President George Bush an honorary degree, the university said Sunday. The university granted former Prime Minister Margaret Thatcher of Britain a similar degree fast year.

reported from Washington. Asked about the possibility that U.S. forces might end up in a lengthy guerrilla conflict, Mr. Chency said, "I think that's dead

He would not specify a date for a U.S. departure but said that "the idea of leaving a large U.S. combat force for a long time in Somalia is not a valid one.

"If you're looking for the United States to stay until all Somalia's problems are solved," he added, it's not going to happen."

Brent Scowcroft, the national se-

curity adviser, said the U.S. role in the operation was "strictly limit ed," aimed at preparing a ground work of peace so that Somalia can rebuild a governmental structure. But he said that at least "a fev thousand" U.S. military personnel may be called upon to remain after the ground troops depart. They would be logistics specialists to

provide support for any UN forces, Mr. Scowcroft added. Mr. Cheney said that troops would disarm Somali fighters who threatened relief efforts. But he said that U.S. troops were not going to "confiscate every AK-47 in

He said a range of options was being considered, from confiscating weapons in offering bounties as a means of encouraging Somalis to

turn in their arms. "We will be concerned about any potential military threat to our orces or relief workers," he added.

Io Somalia, sorely needed food made it Sunday to Bardera, where three relief planes landed as aid workers were down to their last 25 sacks of grain. It was the first food to reach the town in nine days.

Relief agencies cut back staff in Bardera and in nearby Baidoa, where gangs of militiamen have reportedly continued looting sprees and threatened more attacks.

Relief officials said that 24 peo ple were killed in elan fighting i Baidoa on Sunday. (AP, Remers)

It's curious what passes for an interoperable computer system these days.

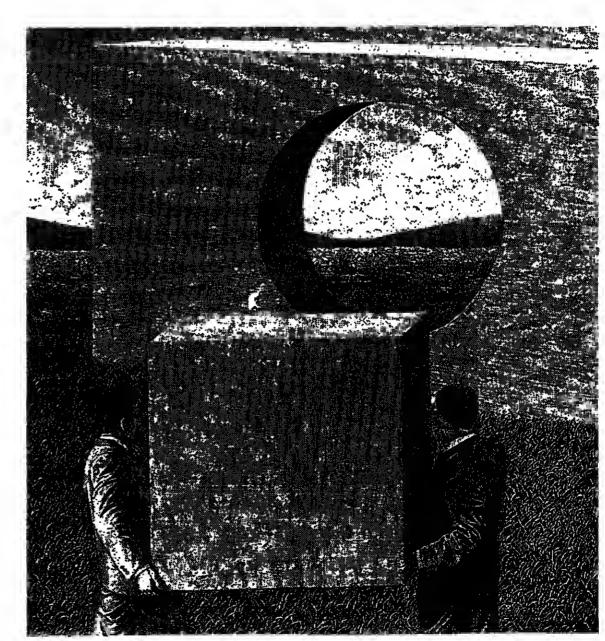
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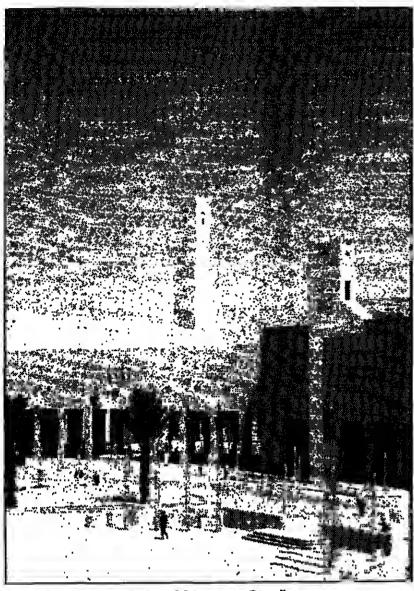
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Ambitious Programs Mark New Reforms

"You will see me victorious, or you will never see me again!" were the last words spoken by Abdul Aziz ibn Saud to his exiled father before he set out to reclaim his inheritance in Riyadh.

In a daring midnight raid in 1902 on Riyadh's Masmak Fort, Abdul Aziz ibn Saud, who later became king, led a small band of his closest followers to victory. As a handful of his crack warriors crashed through the wooden gates of the fort, Abdul Aziz engaged in fierce handto-hand combat with the governor of Riyadh. Abdul Aziz wounded the governor with a rifle shot as a A fountain in Jeddah. guard attempted to

rescue the governor while the two struggled in the gateway. One story says a spear thrown by a cousin of Abdul Aziz narrowly missed the fu-ture king and buried itself deep in the gate as his men dived through the opening.

Today, one of the wizened custodians of the fort points out to visitors a shiny, much-thumbed depression in the woodwork — the hole made by the spearhead. The actual spear-head vanished long ago, no doubt taken as a highly prized souvenir. The raid marked the beginning of

modern Saudi Arabia. It was not until 30 years later, however, that Abdul Aziz announced a pact between the principle warring factions and declared himself king of Saudi Arabia on September 23, 1932. Six years earlier, he had made himself



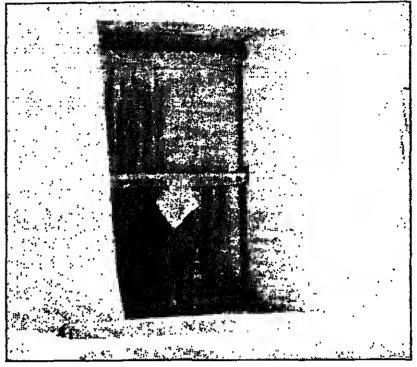
king of the Hejaz and in 1927, King of the

Nejd. The next logical step, which took another five years to accomplish, was to bring the two kingdoms together as one — Saudi Arahia — which has heen ruled by the House of Saud ever since. King Abdul Aziz, who died in 1953, was a man of stature and, in addition to being a great warrior king, was a philosopher and

statesman who believed in strength through unity and Islam. He laid the foundations for a state that is vast in physical terms — about 830,000 square miles - the equivalent of the whole of Western Europe. Over the past 60 years. Saudi Arahia has become the most powerful economy in the Middle East. Its oil wealth, now worth about \$40 billion a year, has made it a significant international player on the world stage.

Since Abdul Aziz's midnight raid on Riyadh, which then had a population of about 30,000, the city has grown to over 2 million. The fort has been restored, and much of the old city walls and fortifications have been rebuilt to remind Saudis of their heritage.

This year also marks one of the most important decades of develop-



Gateway of the Masmak Fort, Riyadh.

ment and the 10th anniversary of the accession of the present monarch and Custodian of the Two Holy Shrines of Makkah and Medinah, King Fahd ibn Abdul Aziz, the fifth Saudi head of state.

King Fahd is gradually introducing democratic reforms into a country that is prepared to create new institutions for government decision-

making.
Saudi Arabia has a unique system
of "family" government that has
been responsible for distributing the country's oil wealth, which first started to flow in six years after the kingdom was created. After the disruption caused by the invasion of Kuwait by Iraq and the subsequent liberation last year, King Fahd announced changes to the basic law of government and to the law of succes-

sion, which is to be confined "to the sons of the kingdom's founder, Abd-ul Aziz ihn Abdulrahman Al-Faisal Al-Saud."

The most suitable candidate is to be chosen "under the guidance of the Quran and the Prophet's sunnah" as a move toward formalizing a constitutional monarchy. When introducing these changes at the beginning of the year, King Fahd also announced the establishment of a consultative assembly (majlis al-shura) and a new style of regional government. Last fall, he named the first speaker for the 60-seat assembly, whose members have yet to be chosen.

King Fahd has been under pressure to bring about reforms, but he is determined to take a cautious ap-

Continued on Page 12



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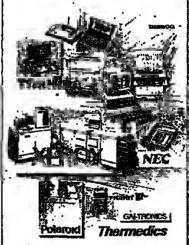
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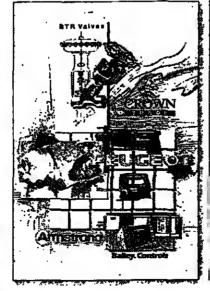
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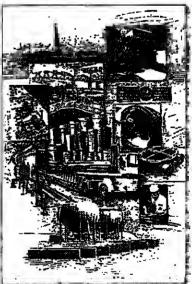












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Survey Shows Saudiization Program Is Working

Riyadh has become one of the fastest-growing and most important cities in the Middle East during the last five years. Forty years ago, it was a relatively small town with mud-brick buildings and the remains of ancient fortifications.

There were few buildings more than four or five stories high, hardly any surfaced roads and only half a dozen telephone links with the outside

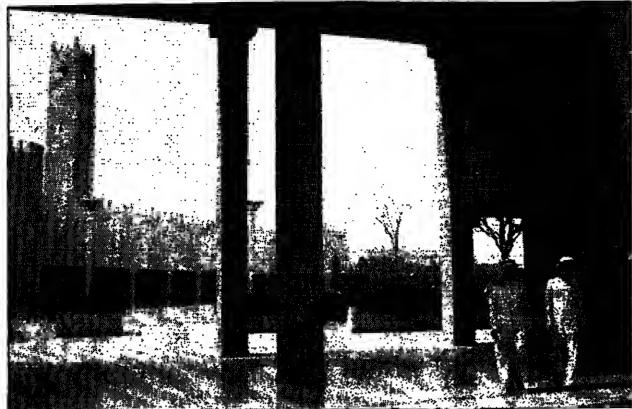
Since then, both Riyadh's urban area and its number of inhabitants have grown dramatically. Between 1986 and 1991, the boundaries of the city were greatly extended, and the amount of land under development

Saudis save 31 percent of their income

(much of it wadis, or hills) has almost doubled, to 1,714 square kilometers (660 square miles), about 80 percent of them residential, 10 percent commercial and 7 percent services. At the same time, the population has risen but 40 percent to just over 2 million by 49 percent, to just over 2 million, at a much faster rate than in the past - 8.7 percent a year between 1987 and 1991 as compared with 7.8 percent between 1977 and 1986.

One of the most striking facts to emerge from a recent socioeconomic study of the capital conducted by the Arrivadh Development Authority
(ADA) is that 60 percent of the overall population is under 20 years of
age, with only 2 percent over 60 years. The number of Saudi nationals has increased by 58 percent, to 1,334,800, and foreigners by 36 per-cent, to 739,000. The 152,000 Egyptians are the largest group of foreigners, accounting for 21 percent of the foreign population.

They replace the Yemenis, who left the kingdom en masse after the



The Diplomatic Quarter in Riyadh, which also houses the High Commission for the development of Arrivadh.

Iraqi invasion of Kuwait in 1990. The next largest group comprises Syrians, Jordanians and Iraqis. Net migration into the city between 1986 and 1991 was more than half a million, even taking into account the departing Yemenis and incoming Egyptians. The ADA survey also shows the shifting patterns in eco-nomic activity, family makeup and

The report also reveals the following facts: the average age of Saudis has risen from 16.5 years to 17.1 years; total employment has increased by nearly 40 percent to 584,779 (mainly because the number of Saudis now employed has risen from 150,306 to 254,182); the number of Saudis nick principal to 150,306 to 254,182); ber of Saudis with university degrees has doubled; Saudis account for 72 percent of all professional and technical jobs, compared with 62 percent in 1986; and one-quarter of all these occupations are filled by women. The Saudi share of employed workers has grown much faster than the corresponding increase in Saudi population, suggesting that more Saudis are replacing foreigners in

The report shows that the biggest employers are the government and the real-estate sector. Some of the most extensive socioeconomic changes have been in the employment sector, where there has been a 40 percent rise, to 161,000, in the number of jobs. Two-thirds of the

increase is among Saudi workers, whose share of the job market has gone up by 69 percent since 1986, while that of expatriates has only increased by 12 percent. A notable change has been in the number of Saudi women now employed: a total of 21,500, up from 11,000 in 1986. There has been a substantial increase in the expatriate female labor force.

The report indicates that the share of government jobs has increased only slightly but that there has been a 47 percent rise in business services employment. The main shift in employment patterns is from expatriate to Saudi, demonstrating that the government's policy to carry out its "Saudizzation" strategy seems to be bearing fruit. The ADA survey shows that more Saudis are now employed in government, the manufacturing of construction materials, re-tail trade, finance, real estate and other business services. Unskilled jobs account for 28 per-

which has almost doubled to 72,000.

cent of total employment in the city, with professional and technical jobs making up the next largest sector -23 percent. Almost all unskilled jobs are held by expatriates, while the majority of administrative, professional and office positions are held by Saudis — 72 percent overall. There are Saudis in just under 50 percent of the professional/technical percent of the professional/technical sector and slightly more than before in clerical and office positions (73 percent). But the number of Saudis

in sales and services jobs has dropped sharply, from 52 percent to about 35 percent.

There are slightly fewer women in unskilled jobs, and about 25 percent of all female workers are still in the professional and technical sectors. Saudi women make up 75 percent of those in professional and technical jobs, with only 11 percent in clerical and office work, although the number has increased slightly. There are a few more Saudi women in sales and service jobs than in 1986.

There has been a slight slowdown in the rate of increases for salaries and income in the capital compared with the early part of the 1980s. Total income for all Riyadh households, however, has shot up by 58 percent to 30 billion Saudi riyals (approximately \$8 billion) since 1986. Saudis save 31 percent of their income — one of the highest savings rates in the world — but this represents a slight fall from 38 percent. They also spend a considerable amount of their wages and salaries. Disposable income has risen by 76 percent and was 21 billion riyals in

If all sources of income were taken into account, the ADA estimates, the true expenditure figure would be considerably higher. About 4 billion riyals is sent out of the kingdom every year, of which 3.2 billion riyals is in the form of remittances from

National Airline's Load Soars to 10 Billion a Year

Saudia, the Saudi national carrier, opened for business in 1945 with a single DC-3 aircraft, used mostly by government ministers. Forty-seven years later, it is the largest airline in the Middle East.

Saudia operates a fleet of more than 100 aircraft, ranging from wide-bodied Boeing 747s and Airbus A300s to sleek Grumman Gulfstreams and tmy Piper Apaches. And while it still carries government ministers around the world, they now comprise but a

Cargo traffic important, but people more so

tiny fraction of the more than 10 milion passengers carried by the airline each year.

The airline's international net-work links 52 cities on four conti-nents, while Saudia serves a further 25 destinations in the kingdom itself. In recent years, it has opened an average of two new international routes a year. Its current goals in-clude expanded services to the Unit-

The United States has played a major role in the airline's development. Its first aircraft was a personal gift from President Franklin D. Roosevelt to King Abdul Aziz Ibn Sand. Many of its pilots were originally trained in the United States, but since 1986, all air-flight operations and training have been conducted in-house. A prospective Saudia pilot can now enter the company's training center for initial flight training for a private pilot's license and progress to full Air Transport Rating as a captain without any need for study abroad. The basic flight-training academy in Jeddah operates with full U.S. Federal Aviation Administration accreditation.

Jeddah is very much the center of the company's operations. A new headquarters will soon be ready for occupation. The Flight Training Center and the Basic Flight Training Academy are both located in the city, which remains the principal hub of the kingdom's international net-work. In 1991, the airline carried some 6.5 million people on its do-mestic routes and 3.2 million on its international network. By the end of last October, it had already carried 9,858,718 passengers this year, making it likely that it will carry close to 12 million people by the end of the

Saudia has its own terminals at the

kingdom's three major airports. Jeddah's King Abdul Aziz International Airport, The Eastern Province's King Fahd Airport and Riyadh's King Khaled Airport. Riyadh is the center of the airline's domestic network. Because, in a sense, the airline grew up with the kingdom and because of the kingdom's vast size, it became the main means of mass transport within Saudi Arabia.

The airline has made striking progress in two key areas, automation and employment of Saudi nationals. In 1982, it opened a fully automated approach observation center at Jeddah. It currently operates an automated Flight Operations Informa-tion System, Technical Information System and Maintenance and Engineering Management Information System. It has also automated its passenger reservation and cargo handling systems. In 1987, it transferred to Jeddah the Saudi Automated Reservations System, which had until then been operated from a British Airways host computer in London.

It is a matter of pride to the airline that its flight crew is increasingly composed of Saudi nationals. More than 750 of the airline's 1,078 flight crew is Saudi, only a slightly lower proportion than the overall 78 per-cent-22 percent ratio of Saudi nationals to non-nationals in the airline's 19,800 in-kingdom staff. Each year, between 300 and 500 students. having completed their secondaryschool education, enter the airline's training programs aimed at qualifying them for FAA certificates cover-ing maintenance of aircraft engines and chassis.

As a cargo carrier, the airline saw its business rise steadily in the 1980s. It concentrated on cargo operations serving Europe and established gathering centers in Brussels and Milan. Since 1983, it has routinely carried well over 140 million tons of cargo a year on its international routes and a further 20 million tons on domestic

But cargo traffic still comes sec-ond to people; the passenger load factor this year is 66 percent, where-as the overall weight load factor is just 52 percent.

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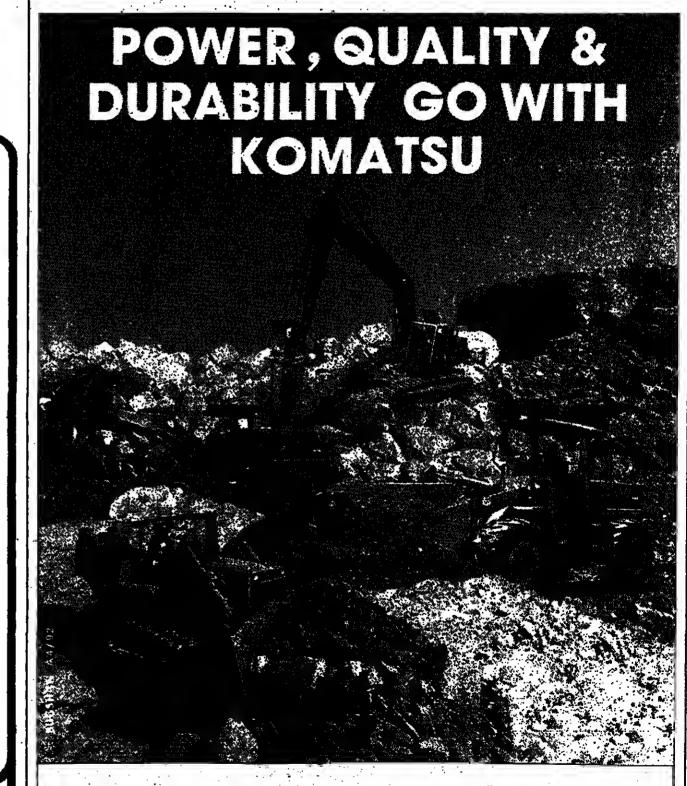
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What Recession? Private Sector Thriving

"We are succeeding in transforming our economy from an oil-based local merchant economy to a diversified industrial and service economy with a global perspective," said Abdullah Dabbagh, secretary general of the Saudi Council of Chambers of Commerce, at a recent London conference.

Mr. Dabbagh added, "This year the economy is expected to grow by around 4 percent, which is not a bad figure if you consider that many countries are going through

Certainly the private-sector economy in Saudi Arabia puts Western industry to shame. Business confidence is high, industrial and service companies are expanding. private cash is abundant and the young stock market is

\$8 billion budget for job expansion

surging. This major increase in confidence since the Gulf crisis ended in spring 1991 has surprised the Saudis themselves. "To be honest," says one Saudi executive, "I thought we'd have a slump after the extra business during

Various reasons are given for Saudi Arabia's current economic boom. The country has come of age after. successfully coming out of the ordeal of Desert Storm. and people feel proud. The monetary institutions, and in particular the central bank, the Saudi Arabian Monetary Agency (SAMA), dealt with the financial turmoil during the crisis far better than anyone had expected. The banking system stood the test and panic money that fled in the first days returned faster and in greater volumes than expected. Dollar interest rates have dropped and the international markets are uncertain, and Saudis now feel comfortable putting cash into the domestic market.

Another set of views suggests that the private sector, not as hampered as usual by governmental red tape, can get on with what it knows best — making money. Large volumes of government spending on the oil and defense sectors are spreading money and contracts across the country, and the spin-offs are trickling through. Saudi Arabia was coming out of recession before the Gulf crisis anyway, and Desert Storm simply delayed the upsurge.

All these views have an element of truth, and certainly the government's massive spending on defense and major projects to expand the oil production, refinences and petrochemicals sectors are providing very substantial business across the kingdom. There is plenty of private money around, the banks had an extremely profitable year in 1991, the stock market is booming and economic activity is higher than it has been in nearly 10 years.

The 1992 expansionary budget has certainly helped the private sector and provided a real boost to business confidence and opportunities. The budget, set at 181 billion Saudi riyals (\$48.3 billion), 27 percent above the country's last published budget (in 1990, 143 billion Saudi riyals), gave priority to the defense sector; project expenditure was around 52 billion Saudi riyals and recurrent expenditure at around 129 billion Saudi riyals.

Between the two budgets, the largest percentage increase was 31 billion Saudi riyals for manpower development. This should come as no surprise for a country half of whose population is under 18, which needs to employ its own young people rather than expatriates.

On the revenue side of the budget, the government set earnings at 151 billion Saudi riyals. Of this, the expected oil-revenue figure is around 111 billion Saudi riyals if non-oil income from foreign reserves and other sources reaches 40 billion Saudi riyals. This leaves a 30 billion Saudi riyal budget deficit that the government expects to fund on the domestic market through its development bonds and treasury bills. Given the need for revenue, it is hardly surprising that the kingdom has - despite OPEC's objections — refused to produce less than 8 million barrels per day of crude oil.

While private business is thriving, the kingdom's national accounts are not particularly healthy. For the past 10 years, Saudi Arabia has run a current account deficit, and a slow deterioration in its balance of payments has been perceptible. Further, the erosion of its foreign reserves had been steady until accelerated by payments for Desert Storm. Recent figures from the IMF's International Financial Statistics (IFS) suggest that the Kingdom has just \$10.7 billion in short-term liquid funds.

The IMF's Staff Report on Saudi Arabia in autumn 1991 forecast continuing current account deficits through to 1996, though at lower levels than recently and not above \$3.9 billion in any year. It noted that the govern-

ment's debt service might reach 11 percent of GDP by 1996, hut maintained that given the underlying strength of the economy, the debt servicing was manageable. A well-placed economic analyst in the oil industry, however, commented glumly that the IMF's current accounts forecasts appeared over-optimistic. This analyst pointed out that if imports do not fall back - and they have not since 1990-91 — the current account deficit is more likely to be in the \$6 billion to \$10 billion range through to

Imports from OECD countries showed a 5 percent to 10 percent rise in the first half of 1992, which may indicate that contrary to previous Saudi practice, defense purchases are now showing in the trade figures. The everincreasing Saudi imports shown in the IFS tables are usually thought to contain considerable defense supplies.

To fund its deficits, the government has borrowed domestically and on the international markets, but as a country where Islamic law, the Shari'ah, forbids interest payments, the government has to pay close attention to public feeling. Having borrowed \$7 billion in 1991 and 1992 mainly to finance the war, it is encouraging stateowned entities to raise funds on their own behalf. The state oil company, Saudi Aramco, the affiliates of the state petrochemicals holding company, Saudi Basic Industries Corporation, and utilities such as the powergeneration company Sceco West are expected to raise commercial funding on the markets for new projects.



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Banking Sector Profiting From Private Sector Investments

The Saudi commercial banks showed such excellent results in 1991 that this year's challenge is to live up to last year's performance and not disappoint shareholders' expecta-

The Saudi banks, ably backed up through incisive action by the country's central bank, the Saudi Arabian Monetary Agency (SAMA), did not mere-

Saudis acquiring the banking habit

ly weather the Gulf crisis but have emerged even stronger. Other factors have also helped the banks' performance. The drop in dollar interest rates and the increasing appetite among private Saudis to acquire the banking habit and invest on the newly buoyant Riyadh stock exchange have generated income for the banks and led to a high level of liquidity throughout the kingdom.

ln 1991, all the banks showed increased profits and assets growth except National Commercial Bank (NCB), which for the second year running did

not publish its figures, and Al-Rajhi Banking & Investment Corporation. which showed a small decline in profits but a big increase in assets growth. Total placements with the banks at the end of 1991 were 75 billion Saudi riyals (\$20 billion), excluding Al-Rajhi and NCB. Now that Bank Al-Jazirah is being reorganized, the last of the small "problem" banks is looking much healthier. The banks have overcome their hangover of bad dehts from the mid-1980s, made adequate provisioning, and now foresee good private and government business in the 1990s.

This year has been the year of capital increases for the Saudi commercial banks, which, faced with rapid expansion in lending and deposit-taking, have found their capital adequacy ratios in need of adjustment. The Saudi banks are also, of course, paying careful attention to the

guidelines on capital adequacy ratios produced by the Basel-based Bank for International Settlements (BIS), the central bankers' bank, and acting on them. The BIS requires 4 percent for first-tier capital and 8 percent for total capital. They are also being strictly controlled by Saudi Arabia's central bank, which requires various ratios to be observed and capital funds to be deposited interest-free. The effect of tight banking controls has been beneficial: the Saudi banking system has been the most trouble-free in the Gulf, and the stron-

Arah National Bank, Riyad Bank and United Saudi Commercial Bank have already strengthened their capital positions and increased their first-tier capital by share issues and by transferring funds from reserves. Riyad Bank's share offering in early 1992 on the Riyadh stock

market was a resounding success despite strong criticism from the religious establishment. Saudi Cairo Bank, which showed a 136 percent increase in operating profits in 1991 and has mostly put its 1980s bad debts behind it, is raising its paid-up capital by 100 percent to 1.2 billion Saudi riyals (\$320 million). Its public offering at a 250riyal premium over the nominal 100-riyal share was more than four times oversubscribed when it closed on October 31. The full premium amount of 1.5 billion Saudi riyals will be used to clean up the balance sheet.

lts foreign shareholder, Egypt's Banque du Caire, which previously had 20 percent, has retained the same stake, while the state-owned Public Investment Fund, previously with 50 percent, has dropped to 25 percent, and the Saudi individual shareholding base has increased from 30 percent to 55 percent.

Bank Al-Jazirah has achieved a capital increase to quadruple its capital to 400 million Saudi riyals (\$107 million) in an issue

that was 10 times oversub-scribed. This has had the effect of reducing the share of its joint-venture partner, the National Bank of Pakistan, from 35 percent to less than 9 percent. Al-Jazirah showed an operating profit in 1991 after losses in the previous four years and reported a 10 million Saudi riyal profit in the first half of 1992. Next in line is expected to be Saudi French Bank, which plans a flotation in December. Next year, Saudi British Bank, 40 percent-owned by Hongkong & Shanghai Banking Corporation, plans a capital increase of 150 percent to 1 billion Saudi riyals, Saudi American Bank (Samba), 30 percent owned by Citicorp since its American partner sold 10 percent to Saudi interests at the end of 1991, may also raise its

The more problematic bank is NCB, which has not produced any audited accounts for two years. Reports from Riyadh indicate that NCB, currently a private partnership and the largest private hank in

capital 1,2 hillion Saudi ri-

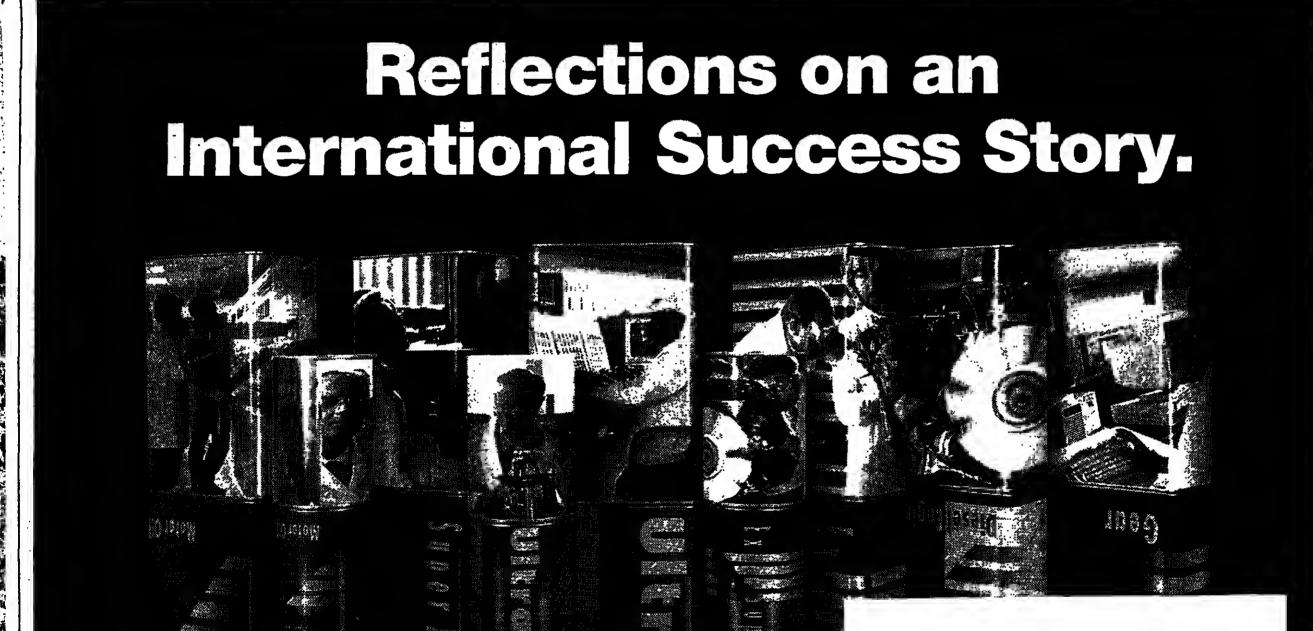
the Middle East, may be transformed into a joint stock company through a floration on the stock ex-

Unaudited figures released by the hank at the end of 1991 gave customer deposits at 73.5 billion Saudi riyals and assets at 82.3 billion Saudi riyals; its share capital is thought to stand at around 0.3 percent of total assets and its total equity to represent 3.7 percent, figures that leave it far from conforming to BIS requirements.

The good year in 1991 was partly the result of heavy trading in securives and from high fixed interest rates agreed before rates started dropping. Other factors bave been the boom in the privatesector economy and the return of Saudi money to the kingdom.

The banks will also continue to benefit from their traditional and lucrative source of earnings: noninterest bearing deposits placed by Muslims to whom the earning of interest is against Shari'ah (Is-

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Oil Production Levels To Be Maintained

Saudi Arabia and oil are almost synonymous in the popular mind. When people think of the kingdom, they think of wells, pipelines, tankers and black gold.

The kingdom's position as the key player in the world oil markets is beyond question. "You can't dismiss the importance of a country with as much oil as Saudi," as one international banker put it. Saudi Arabia has about one-quarter of the world's reserves; its proved reserves, accord-

Proven reserves total 257.8 billion barrels

ing to British Petroleum's authoritative Statistical Review of World Energy 1992, were 257.8 billion barrels—and the kingdom has had a habit of understating its reserves. It is the world's largest exporter of crude oil, the world's largest producer (since the breakup of the Soviet Union) and a vital exporter of crude and end products to the United States.

Saudi Arabia is without question the most important player in the Organization of Petroleum Exporting Countries (OPEC); its production is a quantum leap higher than that of any other OPEC producer, and it is the only OPEC country with major surplus production capability. Its ability to open the taps further and cause an oil price slide gives the kingdom a gratifyingly strong hand, though like all OPEC members (except the United Arab Emirates) it needs every bit of oil revenue it can

Earlier this year, the kingdom showed its muscle in OPEC by refusing to accept its allocated quota—some 200,000 barrels per day below 8 million barrels per day. Since the Gulf crisis, Saudi oil policy has been consistent: the kingdom has decided that the world oil price should be low enough to keep oil demand up in the OECD countries and that it should be "comfortable" for the United States. On the production side, Saudi Arabia has taken the view that it will produce at not less than 8 million barrels per day (including its share of the Neutral Zone between Kuwait and the kingdom), come what may. "The Saudis understand the market, and they know their strength comes from volume; they're not going to pass up their market share," says a

This autumn, Saudi Arabia again showed its strength in OPEC. The organization's fears of a significant price slide toward the end of this year and the first quarter of 1993 have been allayed by the kingdom. This past November, Saudi Arabia undertook not to exceed a production level of 8.4 million barrels per day and an export level of 6.4 million barrels per day. In doing this the kingdom responded to a kind of unspoken OPEC agreement that if the price for the basket of OPEC crude oils (the marker on which OPEC pricing policies are based) deviates from a \$18 to \$21 per barrel band, action is taken.

To pursue its market-related strategies and responsiveness, Saudi Arabia has been expanding its stockpiling facilities by buying into overseas storage close to markets, such as in the Caribbean and Northwestern Europe. This gives it enough surplus oil to ease off any tightening in price or to withhold supplies if the price drops. It has very substantially increased its tanker fleet and thereby the volume of floating storage through Vela, the tanker subsidiary of the state oil company Saudi Aramco, which has been estimated to hold some 40 million barrels outside the kingdom.

To ensure that the kingdom can maintain market share by increasing capacity, Saudi Aramco has embarked on a huge \$36 billion expansion program to increase sustainable production capacity to 10 million barrels per day by 1995; a further expansion program from 1995 to 2000 is scheduled to bring production up to 12 million barrels per day. The EC proposals to curb oil consumption by a carbon tax rising by the year 2000 to \$10 per barrel have caused consternation, however. The Saudi government sees no reason why the extra revenues generated from this should go to consumer rather than producer countries, nor why it should invest heavily in new facilities to maintain oil demand and price when the West is trying to depress demand and take the reve-

These justifiable complaints will be subsumed, however. Demand for OPEC oil over this decade will rise as



Laying the Sumed pipeline in Egypt.

non-OPEC oil production declines, and Saudi Arabia wants to be positioned to take full advantage of the new scenario

new scenario.

Saudi Aramco is looking to purchase refining and distribution ourlets abroad. Over the past few years, the kingdom has been investing overseas with the long-term plan of selling around half its crude oil as higher-value-added products. Saudi Arabia is already OPEC's largest refiner, with a 1.58 million barrels per day domestic refining capacity and a long-term goal to refine 3 million

barrels per day abroad.

The U.S.-based Saudi Aramco-Texaco joint venture, Star Enterprise, was the first and best-publicized purchase of overseas refining and distribution when the kingdom bought Texaco's eastern U.S. enterprises in 1988 at what has been described a "bargain basement" price, Another foreign venture is the \$470 million Saudi Aramco/Ssangyong deal, Han-Saudi Oil Refining Co, which will give the kingdom a major stake in two korean refineries and marketing outlets. An agreement in principle has also been arranged with Japan on a big refining venture there, with possibly one or two more refineries in Saudi Arabia.

The kingdom has also been looking into acquisitions to expand into Europe, particularly with France's Total, but so far nothing has been concluded, not least because France would like a stake in Saudi Arabia's upstream oil assets.

upstream oil assets.

The state Saudi Marketing & Refining Co. (Samarec), which took over from Petromin, has started a major \$5 billion program to upgrade domestic refineries, which will make Saudi Arabia the world's largest producer of unleaded gasoline and a world-scale exporter of refined products from the lighter end of the barrel. Saudi Aramco's own refinery, Ras Tanura, is also slated for upgrading.

grading.

In the longer run, Saudi Arabia is following the revived trend toward integrated oil operations, which used to be the province of the international majors, the "Seven Sisters." Saudi Aramco will be seen and will act less as a crude-oil producing entity and more as an integrated transnational oil company. Saudi Aramco also runs the Master Gas System (MGS), which collects and processes the gas associated with crude-oil production and some non-associated Khuff gas. An expansion of the Saudi gas-gathering system would be welcomed in the kingdom not least by the expanding petrochemical sector. Until transfer pricing discussions between Saudi Aramco and its local customers have been concluded, however, no additions to the gas facilities are likely.

The Big Three of Oil: Strategic Alliance Possible?

It is not easy to accept that the Western world's largest oil producer, which also has 25 percent of the total oil reserves on earth, may have to face an evermore competitive market when it comes to selling refined and lube-oil products. An alliance of the kingdom's top three oil-industry operations would be a formidable global force, say many analysts.

Saudi Arabia has only the beginnings of an integrated vertical oil sector; this began with the creation four years ago of Saudi Aramco, which holds all oil and gas concessions in the country, and Samarec, which is responsible for the refining and sale of most refined products,

Markets and production sites possible abroad

along with Petrolube, which markets lube oils. All three organizations work independently of each other, especially as far as the marketing and development of overseas outlets are concerned. Global integration is still a very long way off and, according to one industry source, there is a need for a creative strategic alliance between the basic three oil groups if Saudi Arabia is to continue to strengthen its overseas markets.

When Saudi Aramco was formalized in 1988, the acquisition of downstream assets in the United States through the Star Enterprise joint-refining venture was announced. This was followed two years later by a joint venture in South Korea, the Ssangyong Oil Company. Aramco is now also looking at several possible acquisitions in Europe. Samarec, which now runs the three domestic and three export refineries and jointly manages with Saudi Aramco the Ras Tanura export refinery, is also looking to expand retail outlets overseas. It already controls three flagship service stations in the kingdom and may go ahead with a plan, which was held back because of the Gulf War, to open a nationwide network.

Petrolube, which provides 68 percent of all domestic needs for lube

Petrolube, which provides 68 percent of all domestic needs for lube oils, is a hybrid corporation. It is a public-sector company that has to operate as a private company when it comes to marketing. "It has to compete on the open market." says one industry source. "It is not a monopolistic company nor does it take anything from the government. It is not

looking for a 100 percent share of the local market but, with its surplus blending capacity, it is looking for new export markets."

The lube oils, which are marketed by Petrolube, are produced at the Petromin Lubricating Oil Refinery Co (Luberef) under the Petromin brand name. Lube oils for three private oil marketing companies in the kingdom are also produced at the same plant. If the Luberef plant works 24 hours a day, it has a capacity to process and produce 6 million barrels of lube oil products a year — more than enough for the kingdom's needs, although it stresses that it is not looking for a sales monopoly.

Indigenous lube oils are new to the kingdom, which had to import most of these products until Petrolube was established. Now that there is a surplus capacity, Petrolube is seeking new markets abroad. Its home-based products are now manufactured to the highest standards set by SASO, the Saudi Arabia Standards Organization. The company wants to encourage more exports and ensure that the names Petrolube or Petronin are synonymous with quality. Products are now sold to 30 different countries; Petrolube has just opened a plant in Egypt and has an operation in Morocco as well as a blending

"An alliance would be an unbeatable combination"

plant in Rotterdam for marine lubri-

Part of its philosophy is to market and produce its products in other countries if this cannot be done economically in Saudi Arabia, which may be the key to future oil-related developments in the kingdom, "A strategic alliance between Saudi Aramco, Samarec and Petrolube would be a logical development — it would be an unbeatable combination," comments a respected Saudi industry source.

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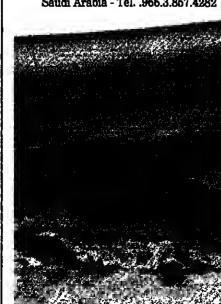
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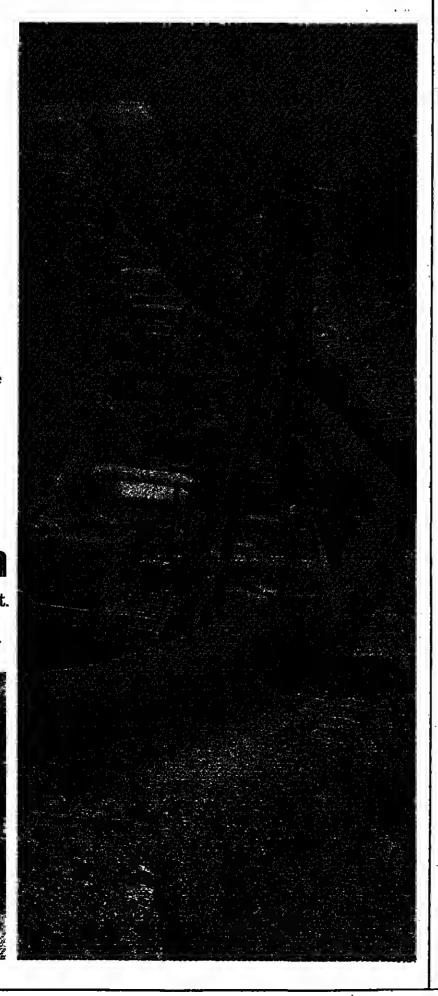
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Trusts Now Apply Islamic Principles

The rise of Islamic unit trusts, in which NCB, Riyad, Al-Rajhi and Samba are all players, is a new option in Saudi Arabia's financial sector.

the Al-Rajhi Currency Fund and Al-Rajhi Maritime Leasing Fund to

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list of Top 500 companies.

Many funds are still managed abroad

complement its commodity Mudharaba Fund. Ai-Rajhi Banking & Investment Corporation set up a mutual fund in mid-1992 that will not deal in the

Growing Diversity

Tiles and fittings for bathrooms and ceramic road-

markers are just some of the products of the Riyadh-based Saudi Ceramic Company. Founded 12 years ago, it is now the leading ceramics manufacturer in the king-dom, producing more than 3 million square meters (32.2 million square feet) of tiles and 6,000 tons of sanitary fittings a year. According to Sami Al-Fawaz, export manager, the factory is to be expanded to double produc-tion capacity. New products like the commission and

tion capacity. New products like the ceramic road mark-

ers are proving highly successful, and the company recently won a \$133,000 order from Bahrain to supply

200,000 roadmarkers. The company, which applies strict international standards of quality control, is developing

other new products to help boost sales and satisfy local

At the end of 1977, two young Saudis began a car rental company with 27 vehicles. Today, that company,

Arabian Hala, has 3,500 vehicles of all types, from small

cars to four-wheel-drive vehicles, and an annual furnover

of 120 million Saudi riyals (\$32 million). The Riyadh-

based company was founded by Suleiman Abdulrahman

Al Salch and Abdulrahman Alissa with an initial capital

of \$100,000. This year it was ranked 322nd in the Saudi

One of the latest companies to enter the environmen-

tal protection field is the established group Alsuhaimi of Dammam. When it was first established in 1921, it

opened offices in Jubail and Bahrain and began import-

ing and distributing foodstuffs and building materials. It gradually expanded its activities into many areas, from

packaging, water drilling and horticulture to the travel

Pharmaceuticals and medical products are top-selling items in Saudi Arabia, which hopes to have 32,000

hospital beds by 1995. Total expenditure on the health

sector between 1985 and 1990 was more than \$16 billion,

and current expenditure is running at the rate of about \$2

billion a year. One of the leading companies providing medical supplies is the Al-Haya Medical Co. of Riyadh,

the agent for several leading brand names. Not all

products are imported, and there is a growing local

manufacturing sector that includes companies like Al-

Shifa, which produces large quantities of syringes for

both the domestie and export markets. Saudis buy more

 Flexibility and the ability to diversify have enabled the Olayan group of companies to gain a leading position in the development of the Saudi economy and the neighboring Gulf Cooperation Council states. Olayan Financing Company (OFC), which oversees the activities of the group, plays an active role in supporting the integrated GCC market as well as satisfying the progressive needs of

an upscale consumer market of over 15 million people in the kingdom itself. Reviewing the activities of the group

highlights the annual 20 percent increase in the group's assets over the past decade and the 14 percent growth in net worth each year. "Today, the streamlined OFC is a major shareholder in a diversified group of Saudi companyors."

nies pursuing business activities in sectors where we have

management expertise, and where we believe opportuni-

• The Hotel Inter-Continental Jeddah opened this year as one of the city's new flagship hotels. It has 353 rooms and suites, all with balconies, and overlooks the Red Sea.

It is only a short drive from the city's business district and

is near the new Chamber of Commerce and Industry

building. The hotel also has 26 furnished apartments for long-term guests. The hotel is managed by Johnny A. Fattalch, who formerly managed the award-winning Regency Inter-Continental in Bahrain.

Another hotel popular with businessmen because of its location in Jeddah close to the business quarter is the

210-room Marriott. The Marriott in Riyadh has 408

rooms and is located near several ministries and banks.

Both hotels have been undergoing refurbishment to up-

grade and improve their rooms and services and to

provide conference facilities for both large and small

construction projects during the next five years. One company sure to benefit is the Riyadh-based Abdullah Said Bugshan & Bros., agents for Komatsu, which manufactures a range of heavy earth-moving equipment. The company, which also has an office in Damman, also can supply generators and fork-lift trucks, and provides full service and spars parts.

Saudi Arabia is to invest around \$37 billion on

car, Khaled S. Olayan, chairman of the board,

than \$220 million worth of medical supplies a year.

Al Rajhi has introduced shares of banks or companies with large investments

nies, Al-Tawfiq Company

in non-Islamic banks. pany, to create one of the area's biggest Islamic in-The Saudi-based Islamvestment facilities. Anothic mutual funds also have er Al-Baraka company in to compete with Islamic London is planning a dolfunds being set up outside lar-denominated company the kingdom. The Jiddahto invest in U.S. real esbased Al-Baraka Investtate. The Bahrain-based ment & Development Faysal Islamic Bank is an-Company is planning to increase the capital of two other potential competiof its Bahrain-based offshore investment compa-

The definition of an investment under Shari'ah (Islamic law) is that the investor takes a risk and receives a return. Many Arab investors would like Shari'ah investments but do not like risks. "But they sure as anything want a return," comments one

for Investment Funds and

Al-Amin Securities Com-

Saudi banker. Unit trusts, or mutual funds, are being developed as investment vehicles for the Saudi public. The commercial banks, again recognizing the buge volume of private funds searching for investment outlets, have developed a range of mutual funds in dollars and are now focusing on Saudi riyal-denominated funds. The banks have long recognized that a major volume of Saudi pri-vate money is not invested in interest-bearing accounts - they have profited from these non-interest bearing deposits - and that millions of riyals are kept "under the mattress," i.e., outside the banking system. In a measure that is to some degree defensive, they are now putting considerable effort into creating mutual funds run

on Shari'ah principles. The mutual funds run by the Saudi banks have been very profitable. The Arab National Bank, a joint venture between Saudi shareholders and Jordan's Arab Bank, has announced that the amount invested in its three new investment funds has reached \$120 million (160 million Saudi rivals in its local fund, 65 million Saudi riyals in its Islamic --

murababa - fund and \$10 million in its international

Arab National launched the open-ended series in March 1992 after being the first bank to receive a license from the Saudi Arabian Monetary Agency (SAMA) for its local fund. Saudi American Bank (Samba) recently announced a 24.2 percent return on its International Equity Fund in 1991 while its other five international funds brought returns ranging between 11.4 percent and 20.7 percent. Samba clients are offered a choice of packages with a minimum investment of \$7,000 and a sliding scale

of fees. The international mutual funds organized by Saudi banks have existed for some time. National Commercial Bank (NCB) Riyad, Samba, Saudi French Bank and Saudi British Bank are running all sorts of "own brand" international dollar funds specializing in different markets — currencies, bonds, balanced funds, real estate and equities and at different risk levels. Normally, however, in the fine print of these funds it is stated that the funds are managed by banking institutions in London or New York. For instance, both NCB and Samba are marketing their funds but having them managed else-

More recently, the banks have been developing rival-denominated funds for Saudi investors in the local stock market. Al-Raihi launched a trust fund for investment in Saudi shares in the summer of 1992, while Samba launched its first domestie investment fund in May 1992 with considerable success. Saudi British Bank, having received SA-MA's permission, is about to join the dance.



Testing pipelines: the kingdom is aiming to increase downstream and value-added oil projects.

Downstream and Value-Added Projects

The popular identification of Saudi Arabia solely with barrels of black crude oil is quite unsound. Saudi Arabia is also a major refined products and petrochemicals producer.

The Saudi Marketing & Refining Co (Samarec), a stateowned company that took over many of Petromin's functions, runs the kingdom's domestic refineries and is responsible for marketing and distributing products worldwide. Saudi Basie Industries Corporation (Sabic) has a similar role in the petrochemicals sector. Both these

Joint-venture activity brings profits

companies, already very big players in the world market, have major expansion programs that together total

Samarec, created by Royal Decree in late 1988 after Hisham Nazer took over from Ahmad Zaki Yamani as Saudi Arabia's oil minister, is one facet of the kingdom's drive to process its own crude oil and, instead of allowing the added value to go to non-Saudi refiners, to keep the added value for itself. Mr. Nazer once stated that the kingdom's long-term goal was to sell about half its crude oil as refined products and have a refining capacity outside the country of around 3 million barrels per day

Samarec is responsible for the expansion and upgrading program for Saudi Arabia's domestie refineries, which will lead to production of the much lighter products now demanded by world markets and, along with Sabic, will help make Saudi Arabia a leading producer of unleaded gasoline. Saudi Arabia's domestic refining eapacity is now around 1.6 million bod.

The first phase of Samarec's program, currently budgeted at around \$2 billion, will embrace the three domes-tic refineries at Riyadh, Jiddah and the new industrial

city of Yanbu on the Red Sea. The eventual cost of the program is likely to be about \$4 billion and will also include the three joint-venture export refineries at Jubail. Yanbu and Rabigh. Rabigh unfortunately requires very extensive work to bring it up to speed, including negotiations with the joint-venture partner, Greece's Petrola, and elementary infrastructure such as crude-oil input

The Ras Tanura refinery, historically part of the state oil company Saudi Aramco, is also slated for expansion and modernization. Budgeted costs for the Ras Tanura refinery modernization seem excessively high at about \$11 billion, but when completed, Ras Tanura should be capable of considerable flexibility at 530,000 bpd rated capacity. It will produce light products from the heavier

Sabie officials confirm that the driving force behind Sabie was to set up state-owned industries for base chemicals plants, which were way beyond the means of the private sector, and then to act as a catalyst to private business interests.

This has happened to some degree. Mobil, in conjunction with Chemvest, a consortium of private-sector Saudi businessmen, is setting up a 880,000-metric-tons-a-year MTBE plant at Yanbu on the Red Sea. The same company, Chemvest, is planning a 400,000-metric-tonsa-year paraxylene plant with Amoco; Dow Europe and E.A. Juffali & Bros. are considering a 50-50 joint venture in Jubail to manufacture and market styrene-butadiene latex (artificial rubber), and Xenel Industries of Jiddah has been looking at polypropylene production in a joint venture with Himont.



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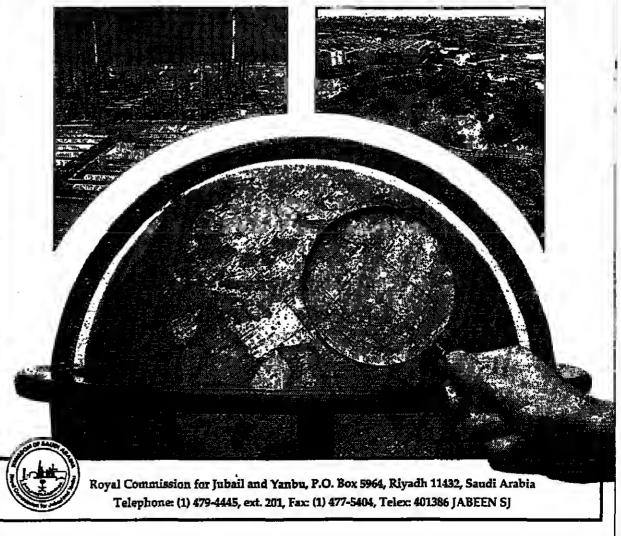
From both global and regional perspectives, these 15-year-old industrial cities - Jubail on Saudi Arabia's Gulf coast and Yanbu on the Red Sea - are perfectly situated.

- Midway between the Americas and the Far East, and close to the Suez Canal and markets of Europe.
- In the largest of the GCC countries, which enjoy high per-capita incomes and growth.
- With abundant supplies of low-cost hydrocarbon fuels and petrochemical

The new industrial centers also offer developers a wide range of fully serviced sites, modern infrastructure, and attractive housing and public facilities. Moreover, in Saudi Arabia, industrial joint ventures also qualify for low-cost loans, customs exemptions, tax holidays, and many other incentives and advantages.

Joint-venture partnerships involving such leading firms as Shell, Mobil, and Mitsubishi have already invested over \$15 billion in successful refining and petrochemical plants at Jubail and Yanbu. More than 100 other manufacturing and support businesses also have a base in the growing cities.

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Five-Year Plan Focuses on Manufacturing

The goal of Saudi Arabia's fifth development plan (1990-1995) is to achieve an annual growth rate of 7.8 percent in manufacturing mainly through privatesector investments in secondary and tertiary industries.

Planned investment for tries, foreign investment the period is more than \$11 billion (excluding the oil and gas sectors), of which \$7.6 billion is coming from the private sector. According to an economist at the National Com-

Investment of \$11 billion planned

mercial Bank, total planned investment in the construction industry alone is \$37 billion, which should create many opportunities for industrial diversification and manufac-

The primary industrial infrastructure has been in place for some time following the completion of the twin industrial cities built by the Royal Commission in Jubail and Yanbu. "These cities were planned and developed as national models of planning, industrialization. education, health care and environmental protection for the welfare of future generations," commented King Fahd bin Abdul Aziz, Custodian of the Two Holy Shrines, at a ceremony to mark the 15th anniversary last year of the establishment of the Royal Commission.

The role of the Royal Commission has changed following a restructuring of its board in 1991 and the appointment of Prince Abdullah bin Faisal Bin Turki Al Saud as chairman with cabinet rank in the Council of Ministers. He was formerly secretarygeneral of the Royal Commission, which now includes representatives from the Saudi Arabia Basic Industries Corporation (Sabic) and Petromin. The Royal Commission is now responsible for the operation and maintenance of the two industrial cities and for the promotion of

new downstream indus-

and joint ventures.

Several of the 15 worldclass petrochemical, steel and other plants that are part of the Sabic empire are being expanded under a major investment program worth about \$7 billion to provide additional feedstock and secondary manufactures. Seven major petrochemical and allied plants are under expansion at Jubail on the Gulf coast.

One of the most significant expansion projects is the \$500 million financing package for the Saudi European Petrochemical Co (The Zahr). This will increase methyl tertiary butyl ether (MTBE) — the additive for lead-free gasoline — to 1.27 metric tons a year. In addition, a new polypropylene facility costing \$260 million, using Union Carbide's Unipol technology, is to be constructed nearby. When completed, it will become one of the world's largest Unipol polypropylene plants and will supply about 10 percent of total world demand. Ibn Zahr is a joint venture owned 70 percent by Sabic and 10 percent each by Arab Petroleum Investment Corporation (Apicorp), Neste Oy of Finland and Ecofuel of Italy. At present, Sabic provides about 5 percent of all petrochemicals in the world, representing about

67 countries. Another new plant in Jubail that began production earlier in the year is Gulf Epoxy, with a production capacity of 30,000 metric tons a year. The epoxy is used to coat metal concrete reinforcing bars used by Saudi Aramco and Sabic's affiliated companies. The bars, or building iron, are manufactured by Hadeed, a Sabic subsidiary, on the primary indus-

10 million metric tons of

products, to customers in

trial estate at Jubail. Because of the harsh saltladen environment, concrete and metal corrosion are major problems in the construction industry. The new Gulf Epoxy plant is designed to coat the reinforcing bars with varying thicknesses of epoxy from between 8mm and 57mm (.31 to 2.2 inches) thick in accordance with the American Standards

for Testing Materials (ASTM). Royal Commission officials predict an expansion of the plant to meet increasing demand for corrosion protection.

Typical of the kind of joint ventures with foreign companies and transfer of technology that the Royal Commission is trying to encourage is the planned Arab Pesticide Industries Co (Mobeed) plant. This less dependent on imported materials. The major will be built on a 5.5 hectfeedstock for the amino

are (13.5 acre) site in Jubail's second industrial park. It will manufacture 7,000 metric tons a year of pesticides and micronutrients at an ancillary plant. Technology is being sup-plied by the Dutch company Cebeco, with financing for the \$22 million jointventure operation coming partly from the Jeddah-based Dallah Al Baraka Group. Mobeed is expected to come on stream in 1994 and is predicting a sales potential of \$32 million a year for its products on the domestic market, with a small proportion going for export.

More foreign technology is coming from Buss AG of Switzerland, which has formed a joint venture with the Sandi Bin Ladin Group to start a \$10.1 million amino molding plant in Jubail. It will use stateof-the-art technology and is expected to start production in the middle of next year. Target capacity is 2,600 metric tons a year of melamine formaldehyde molding compound

(MFC) and 1,000 metric tons of urea formaldehyde molding compound (UFC). This will be the first plant of its kind built in the kingdom, and it is expected to provide 100 percent of domestic needs. First-year sales are expected to reach \$4.6 million.

MFCs are used mainly for manufacturing household utensils such as cups, saucers, ashtrays and dinner sets. UFCs are used to produce a wide range of electrical industry products such as switches, plugs, sockets and telephone handsets. There are about seven companies in the kingdom manufacturing these items, and they will now be able to get their raw materials — UFCs and MFCs — from the new plant and thus be



A school in Jubail: education is a top priority.

molding process — melamine, urea and formaldehyde — will come from the Saudi Formaldehyde Chemical Co. and other Sabic companies in Jubail.

The Royal Commission has also been keeping abreast of social and welfare demands as the twin cities continue to expand. This has meant more

housing, hospitals and schools as well as new shopping malls for Jubail's 42,000 residents and 30,000 daily commuter

Ambitious New Programs

and Europe.

Continued from Page 7

proach. "After all, we are a very new country, perhaps rather set in our ways, says one leading Saudi businessman who firmly supports the need for greater pluralism in government. "Most of our people have little idea what democracy means; they are like children except for the relative few in our society who have traveled and perhaps had experience of the Western systems. We still have to teach our people what it means and how to use it

when they have it." While Saudi Arabia adopts a softly-softly approach toward its domestic affairs, it has taken a much more aggressive approach to its economic and social development. With oil production running at 8.5 million barrels a day, it is the largest oil exporter in the world. Following a massive capital expenditure program tolion by the oil agency Saudi Aramco, oil production will rise to 10.5 million barrels a day by 1995 and a further 2 million by the

year 2000. Samarec, which now opcrates refineries and markets refined products, is spending some \$5 billion on upgrading its refineries to make Saudi Arabia the world's largest producer of lead-free gasoline. Saudi

Arabia is also investing in and developing more refineries and marketing outlets overseas in much the same way Kuwait did before the Gulf War. The idea is to create a market for oil "from the well to the wheel." The company has a joint venture, Star Enterprises, with Texaco in the United States, and a stake in two refineries in Korea through another oint-venture company, Han-Saudi Oil Refining Co. It is also looking at other possibilities in Japan

SABIC (Saudi Basic In-dustries Corporation), which has 16 major capital investment plants in downstream industries, steel and aluminum, now produces between 6 percent and 10 percent of all the world's petrochemi-cals. With the help of the Royal Commission for Jubail and Yanbu, it is trying to encourage more foreign participation in the transfer of technology and new stream secondary and tertiary industries

A major priority in the kingdom at the moment is to create new jobs for the thousands of graduates leaving Saudi universities and colleges for further education. It is estimated that about 300,000 new iobs are needed each year. As Saudi Arabia develops an improved skill base, more and more Saudis are

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now finding employment as expatriates are gradually displaced from manage-

rial and supervisory posts. This year has seen a period of unprecedented activity on the Riyadh stock exchange, where many flotations and privatization issues have been launched. The government has embarked on a policy of encouraging the private sector to play a greater role in the development of industry, particularly in non-oilrelated sectors. Commercial banks estimate that following the liberation of Kuwait, there was a dramatic return of flight capital, and the banking system had about \$40 billion in liquidity earlier this

While Saudi Arabia has had to go to domestic and international markets to borrow around \$7 billion because of the extraordinary costs of the Kuwait war, estimated at \$70 billion overall, the underlying strength of the economy creasing, provided that oil prices remain at their present levels. As far as the Saudis are concerned, there is little reason to expect any dramatic changes. What they are worried about, however, is the discussion about carbon taxes, gasoline taxes proposed by the EC and the United States, which

might reduce demand. Lee Voysey

Offset Program Serves as Catalyst

The world's second-largest pharmaceutical company, Glaxo, has scored a major breakthrough in Britain's \$5 billion offset defense program with the granting of a license to build a new \$20 million factory at Jeddah. Production is expected to start in 1994.

The project, part of Britain's Al Yamamah offset program, is one of many that have been under consideration for some time as part of the offset programs

Projects not limited to the military

being put forward by the United States, Britain and France in an "arms-fortechnology" deal worth billions of dollars in possible new joint ventures. It has given a boost to the somewhat flagging progress being made by the various programs that were originally conceived as a gateway to a new age of industrialization and high-tech development in the kingdom.

Hughes Aircraft Systems, through its local company, Hughes Saudi Arabia, took over the second stage of the U.S. Peace Shield Program after Boeing withdrew from the project; Hughes is planning to invest more than \$800 million in new projects. Peace Shield, unlike Al Yamamah, focuses exclusively on military projects.

A third offset program, Sawari II, has been devel-oped by France. Thomson-CSF has agreed to invest 35 percent of its military contracts in supplying three Lafayetteclass frigates for non-military use. The program, which could amount to around \$2.8 hillion worth of business, has about 40 proposals on its wish list, ranging from potato freezing plants to the manufacturing of smart cards. The farthest along is a joint venture between Thomson and a local group, Shairco, for a gold-refining project valued at around \$48 mil-

Under the terms of Saudi Arabia's various agree-ments with these foreign companies, 35 percent of the total defense-contract value has to be reinvested in new projects in the king-dom. "We are looking at Saudi Arabia as a 10-year program as far as joint ventures are concerned. The offset is acting as a catalyst for us because we have taken on an obligation to get things moving," says a Hughes spokesman

in Riyadh. Hughes is concentrating on the communications sector and also, because of its parent company, General Motors, on projects to produce automotive spare parts, including a battery factory. It may even look at a major auto-assembly operation that could export to other Gulf coun-

Saudi Arabia currently imports about 157,000 vehicles a year, about 60 percent of the total sold to Gulf countries. Hughes is also considering a factory to manufacture mobilecommunications units, satellite communications and packet-switching sys-tems in Saudi Arabia. "We have also identified certain software development as an area in which we might get involved here," adds the Hughes spokesman.

Most of the potential projects have a connection with the military sector but are not specifically limited to that area. One plan is to link up with a \$20 million joint-venture company, International Systems Engineering (ISE), which was originally established with six local computer companies. This would give Hughes the op-portunity to bid on a local basis for software contracts related to Peach Shield 11 - command, control and communications for airborne warning and control systems (AWACS).

There are currently five Peace Shield projects ex-isting or planned. The most advanced is the Al-Salam Aircraft Company, a massive maintenance installation under construction at King Khaled International Airport in Riyadh. When completed by the end of 1995, the nine aircraft hangars will each be capable of housing one Boeing 747-400. The first three hangars are due to come into service any

"Although Al-Salam's facility will compete with major facilities in Europe. Singapore, Australia and North America, our first goal is to provide for Saudi Arabia's own needs." says an Al-Salam official. Saudia, the national airline, holds a 25 percent share of Al-Salam, which is capitalized at \$80 million. Saudia plans to use the maintenance base to service some of its own aircraft.

In a second project, Aircraft Accessories and Components Company (AACC), a manufacturing plant is being established to produce parts for use by Al-Salam in its maintenance program. Another related project is the \$47 million Advanced Electronics Co. (ACE), which has already been operating from temporary facilities at King Khaled Airport. producing high-tech communications and other electronic devices for the aviation field.

A factory to maintain and overhaul gas turbine engines, the Middle East Propulsion (MEPC), has been under consideration for some time but, according to local sources, is unlikely to go ahead at present. The British Al Yamamah program has had a rocky start. with 22 proposals under consideration.

The British partners for three of the schemes first suggested as long ago as 1988 have either gone into liquidation or withdrawn. The "wish list" for projects drawn up by the troubled British Aerospace group (BAe) includes various projects, from a polyethylene plant to an aluminum

The big breakthrough came with the approval of an industrial license by the Saudi Government for the Glaxo pharmaceutical group's factory in Jeddah in a joint venture with Saudi Import Company (SIC) of Jeddah, Glaxo's agents.
"It seemed an obvious, if not inevitable, step to form a closer partnership." comments Abdel Salam Banaja, chief executive of SIC, now one of the kingdom's biggest distributors of pharmaceutical prod-

Nevin Bradford, general manager of Glaxo in Saudi Arabia, adds, "We are delighted to be the frontrunner in the offset program. The granting of the indus-trial license is a significant milestone, and we are now pressing ahead as quickly as possible with implementation."

He also has a word for critics of the program:
"The benefits of offset have been clearly demonstrated by our experience, and I would not hesitate to recommend it to other companies considering joint ventures in the kingdom." Glaxo has been selling its products in Saudi Arabia for more than 50 years. The new factory will manufacture an extensive range of items utilizing state-of-the-art technol-ogy. Main products will include Zantac, an anti-ul-oer drug, and Ventolin, used for treating asthma. These are two of Glaxo's best-known pharmaceuti-

Two other projects that are expected to go ahead in the near future are a joint venture between BAc and the Italian group Tecnomeira to manufacture marble laminates for building surfaces, and a joint-venture soybean processing plant involving Brooker Tateck (Britain) and Savola, a Jeddahbased company.



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Riyadh Restores Its Ancient Buildings

The ancient center of Riyadh was the seat of government long before Saudi Arabia was united as a single kingdom 60 years ago. This year, the \$80 million first phase of a major restoration project, located in the Kasr al-Hokm district around the old Masmak Fort, was completed and has become one of the focal points of the city.

The construction along traditional lines of the Governate Palace in the Kasr Al-Hokm complex, which also contains the huge Imam Turki bin Abdullah mosque, is the centerpiece of the multimillion dollar project. Surrounded by piazzas, arcades, fountains, flowerbeds and palm

Old city center being brought back to life

trees, the project was officially opened by King Fahd bin Abdul Aziz, Custodian of the Two Holy Shrines, last

The Kasr al-Hokm redevelopment program was masterminded by the High Commission for the Development of Arrivadh (the old, preferred name for the capital). It covers an area of 5 hectares and also includes the Kasr al-Hokm (the Justice Palace and square) itself, the municipality offices, the police station, the Masmak Fort and many other historic buildings.

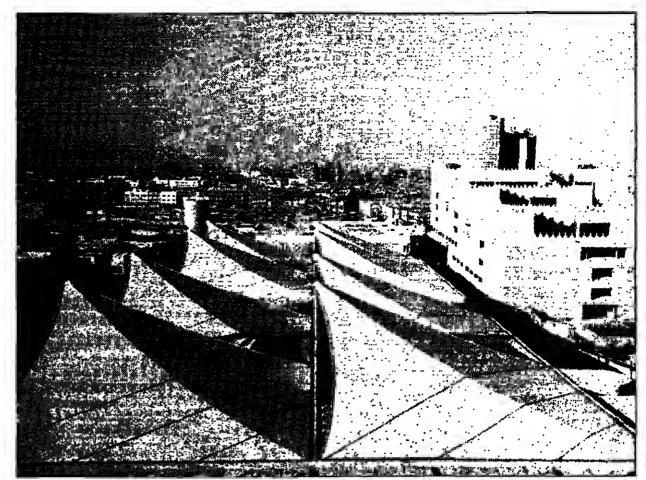
The old city walls with their fortified gates have been replicated and in a few places restored. At the time of Abdul Aziz's midnight raid on the fort in 1902, Arriyadh was a relatively small town with a population of 30,000 living in mud-walled houses surrounded by fortifications. Much of the old town has been swept away by an invasion of modern concrete and glass, and the challenge

facing the High Commission was to blend old and new styles of architecture and construction. The commission selected the traditional Nejdi style with plain walls and mud-red-colored rendering on stone and concrete.

The whole administrative district is on several levels connected by long stairways and terraces. There is a low irregular building line of crenellated walls and tiny triangular or square openings (the Nejdi style), which contrasts sharply with the modern high-rise towers. The new covered souths, such as the main Dirah South with its tent-like roofs, blend in with the central development. Other areas have been selected as sites for markets to try to encourage more traders to come into the center of the city and create a "living" environment.

Speaking about the rebuilding of Kasr al-Hokm, Abdullatif Al Shaikh, president of the Arriyadh Development Authority and a member of the High Commission, says the objective in coming years is to focus on the quality of life, environmental issues and the enhancement of natural features. In a recent interview in "Enterprise Al Yamamah," he added: "We are trying to control and guide urban growth and also preserve the city's heritage.

We believe our designated urban limits and the strategy for growth management should give us a better scheduling for utilities and public facilities."



Ancient and modern: the tent-roofed Dirah Soukh in the rebuilt Kasr al-Hokm district of Riyadh blends in well with the city's traditional architecture.

A Local Company With a Global Network

It is rare to find a Saudi company that is as suceessful in the United States as it is in its own country, especially if the company happens to be in the electronics and communications field. The Husain Group of companies has been in the electronics business for 31 years, longer than any other Saudi company, and has three U.S. subsidiaries and

three in the kingdom. Husain companies manufacture and market products ranging from touchscreen communications systems and mobile satellite stations to speech encryption systems. Mucb of the group's success has been achieved through identifying niche markets and through the perceptiveness of its founder, Ishtiaq "I" Husain. He has built up the company from a one-man operation to an organization employing a staff of more than 200 with 15 facilities throughout the

Mr. Husain founded his first company, Arabian Electronics, in 1961, and two years later became the agent for General Electric Mobile Communication's products. He adapted these to the needs of the local market and installed communications systems throughout the kingdom, thus gaining a 90 percent share of the market. The group's latest venture in Saudi Arabia, Electronia, was founded three years ago in Dammam. Tariq Husain, Electronia's vice president for business development, says the company's aim is not to compete in the open market. He explains, "We do not have any direct competition because our policy is only to design and manufacture products that are not offered by any other

electronics company. If an existing product can't be made better. Electronia won't make it."

The company also has a flexible philosopby and is able to adapt to the needs of the local market. It has followed this policy be-cause it found that imported equipment often could not be integrated into turnkey systems. It discovered that the "one size fits all" product did not work and decided to examine each new product or project on its merits and design a customized solution. Mr. Husain says that because Electronia is probably the only active electronics communications manufacturer based in Saudi Arabia, it is in a better position to meet local needs. Another advantage is that the group is a family-run business with, as Mr Husain explains, "a flat management hierarchy" that is not stifled by

bureaucracy. The company is currently providing mobile communications base stations, radios, power amplifiers and ID decoders and "beacon flashers" (which help to identify problems on radio towers several hundred feet high). This year the company bas started to install a microwave link between the kingdom and Kuwait, where it has completed a number of projects; Electronia has also had projects in Jordan, Nigeria and the United States.

Most of the affiliate companies specialize in some form of communications. Advanced American Electronics, based in Cambridge, Massaebusetts, produces touch-screen consoles for communications networks. Also in Cambridge is Applied Medical Systems Inc., which offers a range of health-care and educational products and services. AAE Systems Inc. of Sunnyvale. California develops mobile-earth satellite stations and offers turnkey communications systems to South America, Africa

and the Middle East. Apart from Electronia, the group has a number of other subsidiaries in Saudi Arabia, including KTI, which builds and erects communications towers, and TCI Medical Systems, which specializes in high-

tech medical equipment. The Husain group has developed into one of the few entirely private multinational Saudi corporations, yet it still retains a high proportion (about 80%) of Saudis on its administrative and managerial staff.

Mr. Husain is more than optimistic about the future. He believes that there will be a spurt of activity in Saudi Arabia's telecommunications market, particularly in the areas of mobile and data communications. These

alone account for an estimated 17 percent of the overall Middle East communications market up to the year 2000. According to the U.S.-Arab Chamber of Commerce, key products will include two-way radio communications, radar and air-traffie control systems, mobile tele-phones, telex and fax machines, coin-operated telephones, videotex systems, paging and cable televi-

sion networks.

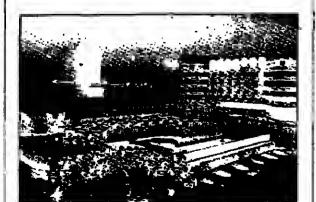
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Herald International Cribune, Published With The New York Times and The Washington Prod

Put a Haven in Bosnia

The world continues its pretense of pro-tecting Bosnia and punishing Serbia. The executed ... Some 200 residents of Parti-United Nations imposed a flight-exclusion zone over Bosnia on Oct. 9. but Serbian planes and helicopters by the hundreds have violated that ban. The United Nations voted to tighten the trade embargo on Serbia by imposing a naval blockade, but ships still carry contraband down the Danube to Serbia. Washington now says it is prepared to seek UN authority to enforce the noflight zone - a worthwhile step to show that the world means what it says about

halting Serbian flights. Yet that alone will not spare the people of Travnik. A Serbian offensive is about to unleash a new round of ethnic cleansing in that Bosnian town. Unless the United Nations quickly establishes a safe haven in the area, protected by U.S. and European troops, hundreds of civilians will die and

ihousands will be forced to flee.

A chilling report to the United Nations by Tadeusz Mazowiecki, the former prime minister of Poland, describes in detail the horrors that visited the village of Prijedor last May — and graphically depicts what

could lie in store for the people of Travnik.
On the night of May 29, Serbian tanks and infantry took up positions around Pri-jedor. "When the attack began, Serbs from the village guided the tanks to the homes of certain Muslims, Mr. Mazowiecki recounts, "and the inhabitants were asked to will not slow the slaughter. come out and show their identity cards.

san Street were executed and a hundred homes were destroyed. During the attack the local radio continued to call for the surrender of arms, yet not one shot had been fired by the Muslims."

When the artillery barrage stopped at around noon, witnesses say. Serbian paramilitary thugs slit people's throats. "The bodies of the dead were carried away by trucks, which left a trail of blood," the report adds. Those not killed on the spot were transferred to a convoy heading toward Omarska, a Serbian concentration camp. Badly damaged houses were bulldozed, and their foundations covered with fresh earth. Five mosques were destroyed; the Muslim cemetery was razed.

The Prijedor story does not end there. In late August, Muslims seeking to leave Pri-jedor were loaded into trucks. In the course of the journey, Mr. Mazowiecki reports, men in the convoy, some 20 in number, were "executed in the presence of their wives and children." Those wbo managed to escape eventually reached

safety 130 kilometers away — in Travnik. Now Travnik itself is besieged, as the Serbs relentlessly seek to wipe out what is left of the multiethnic Bosnian state. The new offensive is further proof, if any were needed, that a policy of too little, too late

sense should help Americans address them.

- THE NEW YORK TIMES.

Operation Restore Hope

George Bush could have passed Somalia on to Bill Clinton, but be chose to mount an ambitious and risky humanitarian intervention. More power to him, "Operation Re-store Hope" is the right thing to do. Its purpose is to save lives. It trivializes what Mr. Bush is doing to suggest that be is reaching for the commander in chief's last tour at the helm. He has found a fit task for

his presidency's final days.
On Friday the president offered a little summary of his policy. He means the dispatch of American and other volunteer combat forces to be brief and unprovocarive. Their mission is to secure delivery of relief and to restore Somalia to regular (noncombat) United Nadons peacekeepers. This leaves some fair and tough questions. Suppose the warlords and bandits don't go away? Mighi there be a nationalisi "antiimperialist" backlasb? Can the United States avoid being drawn into long-term occupation duty or an interminable ragged quest to build a new government, stable if not democratic? But there is no call to be intimidated by these questions, Good

Good sense and serious consultation with Congress. This operation is unfolding in a glow of good feeling. Hastily briefed congressional leaders say they would be content just to "monitor" the proceedings. But one Somali kid with an AK-47 could sour the mood. Hostilities may not be "imminent" (the trigger for war-powers consultation), but things could unravel. Then the president might find the bottom dropping out of congressional support, and Congress might find it bad surrendered its claim to independent judgment.

It is not just details of mission and feasibility that need to be jointly scrutinized. It is the precedent. Does Somalia start the United States down the road to Haiti, Liberia and Bosnia, and if not why not? Does Somalia take Americans to an endless swamp or to a higher plane on which claims of national sovereignty no longer shelter lo-cal ahuses of buman rights? Congress would be myopic and abject not to claim its part in this fundamental post-Cold War inquiry.

- THE WASHINGTON POST.

Fight German Violence After a burst of fierce international criti-like crimes against any buman being, will

cism over its languid reaction to right-wing be reliably punished. violence, the German government has changed tone. Bonn announced on Friday now has sent exactly the opposite message, that it will establish a special task force to Most skinheads convicted of assaults that crack down on right-wing extremism; that followed Thursday's statement by Chancelfor Helmut Kohl that the government would "use all possible legal measures to fight violence and political extremism." If this represents a real commitment with some political momentum and forcefulness behind it, not merely a momentary response to mo-mentary uproar, Mr. Kohl's political challenges now move into a pragmatic realm that Americans may find partly familiar.

Having waited till the number of recorded attacks on minorities approached 2,000 and the numbers professing Nazi-type views showed a perceptible upsurge, the German anthorities can now no more eradicate the attacks by simple fiat than the United States could bring an overnight end to drug-related murders. What they can do, though, is reinforce and seek to strengthen the hints of a broader turnaround in public

opinion that some are now reporting.

German citizens lately bave been marching against racism and xenophobia in substantial numbers and, by many accounts, expressing widespread fury that their government let things drift to the point where events could create this much embarrassment on the world stage. What is needed from the government is a sustained message of outrage at attacks on foreigners - outrage that was undetectable for far too long - coupled with protection measures for asylum seekers and a convincing demonstration that physical crimes against them,

The experience of prosecutions up till caused injury or death have received light or suspended seniences. In one highly publi-cized case where political leaders had called for beavy sentences, four youths convicted of kicking an Angolan guest worker to death in 1990 nonetheless received suspended sentences of two to four years - judges being, after all, independent of politicians' pronouncements. Tales of police standing by during violent incidents, or consistently neglecting to answer distress calls from foreigner hostels, have been frequent. And the Defense Ministry said in November that soldiers had been involved in at least two dozen incidents, including three murders.

Mr. Kohl's government faces further law enforcement obstacles given the decentralization of local police and the near total absence of well-trained forces in the former Eastern provinces — difficulties that may be eased by the shift to a federal task force. But the deeper issue remains one of leadership. Some party leaders have balked at suggestions of stronger law enforcement, saying it could threaten democratic rights. There is still a danger of focusing too much on the extremists' views (the defense minister's response, for instance, was to call for the expulsion of right-wingers from the military) and not enough on actions that are crimes under existing law. The government cannot afford to take that sidetrack, or to falter in what is sure to be a difficult task even if the

apparent new public support for it holds. -- THE WASHINGTON POST.

Other Comment

Force-Feeding Somalia

The international community's historic move to authorize full-scale military intervention is the only possible answer to the immediate problem of rescuing Somalis on the hrink of death. But it raises questions about the long-term solution for the ravaged African state and about the role of the United Nations. The main problem is how to ensure that any calm that the UN military presence induces is not illusory. The United States must address the problem of disarming the warring factions. Even if violence is thus solved, there would remain the question of what would replace the power vacuum. Someone needs to launch the process of economic and political reconstruction. The

world body is in relatively uncharted waters. The UN entry into anarchic Somalia will amount essentially to a takeover of a country

by the international community. Members are right to ask what sort of precedent the move is setting. The unease is compounded by the fact that the mission will be organized and commanded by the United States. Secretary-General Butros Butros Ghali said that he preferred a UN command but that the world body did not have the resources to run such an operation ou its own. However, if faith in the mechanisms of the United Nations is to grow, it is important that the Somali mission not be seen to be the workings of an overzealous superpower but as the result of concerted international will.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

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Bosnia, Somalia: Are Democracies Ready?

LONDON — It is, you might say, the last chance to remove the quotation marks around "new world order." If the world cannot save the starving inhabitants of Somalia, and if it cannot rescue something out of the ruins of Bosnia, it will never create a new and better way for countries and people to live together. Call it the Bosnalia test.

The test asks you to remember why, a couple of years ago, it seemed so tempting to hope for a new world order. It also asks you to recall what By Brian Beedham

army of peace-enforcers enters Somalia to push aside the gangs, and feed the hungry, nobody is likely to protest. There will be no talk of a Chinese or Russian veto, and oo more than muttered qualms from

other rickety African governments. Ex-Somalia is also, compared with ex-Yugoslavia, probably an easier job for the intervening soldiers. It is foolish to be overconfident about these

If willing to take a risk, America and Europe can probably create the 'safe haven' for Bosnia's Muslims that everybody has been piously talking about.

A new dispensation seemed possihle not only because communism had been defeated, grand though that was, but also because the end of communism had removed a huge inhibi-tion. During the Cold War, decent people had been told that it was necessary to shut one's eyes to many of the awful things that happened in the world. If the perpetrator of the awful thing was one's Cold War ally, it was fcolish to offend him. If he was the Soviet Union's ally, it was dangerous. So spoke the chill inhibitor. But now, it seemed, the inhibition

had gone. It might at last be possible to tell countries trying to eat up their

neighbors, or dictators brutalizing their own people, to stop doing it. It might also be possible to walk into places whose governments had collapsed, to save their people from the resulting chaos, without worrying whether a rival walker-in was on his way there, too. Add the apparent lesson of the

Gulf War, that the democracies now beld the commanding heights of mil-itary technology, and possibility seemed about to turn into happy fact. The core of this new order, it was thought, would consist of two wel-

come innovations, both involving the

word "sovereignty,"
It would be easier to protect the right sort of claim to sovereignty, the sort that says one country is enotled not to be invaded by another. But it would also be easier to resist the wrong sort, the sort that has tyrants claiming the "sovereign right" to do whatever they like within their own borders. Sovereignty would no longer be the cover for any abomination, It would sometimes be correct to cross a border to stop a horror.

Those bopes of a mere two years ago are now being put to a double test. Of that test, the Somalia part is by far the easier. It is legally and politically straightforward.

The government of Somalia no longer exists, and the clans and gangs that quarrel over its corpse can make no claim to speak for the country as a whole. The sovereignty issue does not arise. If in these circumstances an

LONDON — The Hindu militants who revived a campaign to

build a temple on a spot at Ayodhya

in northern India occupied by an

ancient mosque have a far-reaching ambition. Their aim is not only to

restore Hindu control over what

they regard as the birthplace of the

god Ram. They want to inflame rela-

Oons between the majority Hindus

and Muslims who account for about

100 million of India's 850 million

population. They also want to desta-bilize the government of Prime Min-

There are precedents. Agitation in

1990 helped to topple a government and provoked Hindu-Muslim riots

across India in which thousands

died. By polarizing society along re-

ligious lines, it opened the way for

HONOLULU — The Ayodhya controversy is symptomatic of a deep rift between India's two

great religions. Muslims call the building Bahur's mosque after the general in the 16th century who founded the Mogul empire in South

Asia. Hindus believe that in con-structing the mosque, the Muslim Moguls demolished an ancient Hin-

du temple that commemorated the

birthplace of Ram, hero of the epic

Politicians of the ruling Con-gress Party who blame the British

for encouraging Muslim separat-ism by a divide-and-rule policy

have themselves aggravated differences. Politicians assiduously

court Muslims because they can

influence elections in about 100

The Muslim vote was a major

reason why India stood aloof from

the U.S.-led coalition of military

forces that evicted Iraqi troops

from Kuwait in Operation Desert

Storm. India was the first country

in the world to ban "The Satanie

Verses," by Salman Rushdie, and

the only non-Arab country to treat

Israel like an international pariah.

This appeasement has provoked

a dangerous Hindu backlash

spearheaded by the Vishwa Hindu Parishad, or World Hindu Coun-

cil, and its political affiliate, the

Bharitiya Janata Party. In the 1989 national elections,

the BJP's parliamentary representa-

tion shot up from six to 86 MPs.

When the country went to the polls

two years later, the party captured

119 seats. Its Hindu revivalist slo-

gans and promise to demolish the

mosque in Ayodhya struck a re-

sponsive chord among a wide spec-trum of northern Indian Hindus.

Mr. Rao has painstakingly tried

partiamentary constituencies.

poem Ramayana.

More Is at Stake Than a Site

By Sunanda K. Datta-Ray

ister P. V. Narasimha Rao.

looks ideal for the fast-moving strike force, escorted by helicopters, pro-tected from the air and watched over by satellite-guided precision weapons, that the Americans and their allies used so well in the Gulf War. The warlords of clan and gang do not look like major opposition. The fight can probably be won without too

The process would not be complete

set directions but, in a

messy world, retain the

about for something to worship or

about for something to worship or hate and for journalists eager to make government policies far clear-er and more momentous than their anthors intended. Over time, they clevated his address into the Tru-

man Doctrine and stripped away its

and Turkey to stop communism, they came to ask, why not military aid to

Vietnam, Nicaragua, or anywhere clse for that same noble purpose? With intellectuals, politicians and

India: Moderation Can Yet Prevail

By James Manor

the Hindu nationalist Bharitiya Jan-

ata Party to make buge gains in

parliamentary elections last year. Mr. Rao does not welcome this

campaign. It has scuttled his at-

tempt to settle, or at least contain,

the issue through negotiation. But while this episode will almost cer-

tainly entail serious violence, it may

ulomately work to his advantage

It will not bring his government

down. On paper, the ruling Congress

Party falls just short of a parliamen-

tary majority. However, the opposi-tion parties of the left are deter-

mined to thwart the Hindu militants.

They will not oppose Mr. Rao on

to promote a compromise since be

came to power. When talks col-lapsed late last month, the council

warned that after the Ayodhya

mosque it would turn its altention

to two other mosques that Muslim

invaders of India are also said to

have built by destroying important Hindu temples. The council has a list of 3,000 such monuments.

This kind of stridency encourages Islamic countries that have no

micorities of their own to accuse India of discrimination. It gives a

propaganda weapon to Muslim ter-

rorists in Indian-ruled Kashmir.
It has also shaken the confidence

of the large Muslim community in

India, whose forebears refused to

go to the newly formed Islamic state of Pakistan in 1947. They

stayed on in India because they had

faith in Prime Minister Jawaharlal

Nehru's commitment to a secular

culture in which all religious would

enjoy equal security.
Muslim fundamentalism and

Hindu revivalism feed on each oth-

er, threatening India's cohesion at a

ome when other large multiethnic

states, such as the former Soviet

Union and Yugoslavia, are under

increasing stress. The Indian sub-

continent has been divided twice

already, and a number of ethnic minorities in India, Pakistan and

Bangladesh are demanding their

site rests on Mr. Rao's efforts to persuade Hindu and Muslim leaders

to return to the negotiating table.

Indian newspaper The Statesman, has just concluded a year as editor in residence at the East-West Center in

Hawaii. He contributed this commen

to the International Herald Tribune.

More than the fate of a religious

The writer, a former editor of the

own smaller homelands.

and strengthen moderate forces.

If economic aid went to Greece

distinctions and qualifications.

leeway to choose.

much difficulty,

Of course, the fight would be only
the start of it. It could be years before the Somalis are able to run their own affairs again. The military interven-tion would have to be followed by a period of trusteeship in which outsid-ers did mucb of the work for them. north and south, into which the So-malis would probably divide them-selves. It would be a long, hard slog; but it should not be shirked.

The Bosnia part of the test is harder, but the case for not shirking it is

just as strong.

The trouble in ex-Yugoslavia is thal so much time has been wasted, so many chances missed. The war might never have started if America and Europe had recognized Croatia 18 months ago, put a protective force on Croatia's border with Serbia but told the Croats that the protec-tion would be withdrawn if they did not rapidly give their Serbian minority a large measure of autonomy. The fighting might not have spread into Bosnia if something similar had been done there nine months ago. Nothing was done. The Serbian

guerrillas grahbed the federal army's guest occupied large parts of Croaffa and Bosnia, and got on with their ethnic cleansing. The result is that any attempt to restore what has been lost — to push the Serbs back to where they started from, and escort the non-Serbs back to their looted homes would probably need a major war.

Even so, it may not be too late to rescue something from the ruins. A protective force could be put into Macedonia, to try to do for that fragment of ex-Yugoslavia what was not done in Croatia and Bosnia. And even in Bosnia it may still be possible to stop an all-out Serbian victory. If they are willing to take a deep

breath, and a risk, America and Eu-

haven" for Bosnia's Muslims that everybody has been piously talking about. To do this they will have to clear the Serbian guernllas out of the area north of Sarajevo, in the

middle of Bosnia. This almost certainly cannot be done by air power alone. It will need soldiers on the ground, and some of those soldiers could get into bloody fights. But there is a fairly good chance that the Serbs, having already got so much of what they want, will oot insist on this slice of Bosnia, too. If that is how it went, the casualty list would not be huge; the Muslims would still have their own patch of Bosnia: the Croat zone behind them would be that much safer; and the world would bave shown that it was

From the start, a couple of years or so ago, it has been clear that what solemn people would call the "objec-tive conditions" for a new world order are in place. The chief obstacle to it has been removed; the material means of bringing it about can be seen to exist. The question is at the subjective level. To put it in the language of ordinary men, do the democracies that won the Cold War now possess the will to make the world a better place for other people, paying the price of doing so when it cannot be done cost-free?

not utterly helpless.

As 1992 draws to its close, Somalia and Bosnia pose that question in two different parts of the globe. It is not only Bosnalia that is hoping for a happy Christmas.

until elections in the two countries. rope can probably create the "safe Don't Turn This Into a 'Bush Doctrine'

By Leslie H. Gelb

N EW YORK — As George Bush on Friday explained his dis-patch of U.S. forces to Somalia, be journalists clamoring again for sim-ple answers and proclaiming "turn-ing points" and "watersheds," Presi-dent Busb will have difficulty sounded eerily similar to Harry Truman justifying massive new Ameri-can aid to Greece and Turkey more than 45 years ago.
Within days, President Truman's carefully crafted language became raw meat for ideologues casting explaining the limits of his Somali decision. It could easily assume the

dimensions of a Bush Doctrine with unfortunate consequences for

Presidents should always For of future presidents it will be asked: If Somalia, why not Bosnia, Liberia, Armenia and all countries drowning in civil wars and humanitarian disasters?
The last Cold War president clear-

had such thoughts in mind while shioning his announcement about Somalia. He may even have reread the March 1947 speech of the first Cold War president. Mr. Bush spoke "starvation" and "anarchy Somalia. Mr. Truman said Greece lacked the essentials "for bare subsistence" and was threatened by

'terrorist activities." Mr. Bush explained that righting the situation in Somalia was beyond the means of the United Nations. Mr. Truman said he had decided that the United Nations was incapable of "immediate action" and "not in a

this issue unless be gives ground to the right, which is highly unlikely. Even if they did, the government actually has a de facto working ma-

jority. This is because the Telugu

Desam, a regional party from Mr. Rao's home state which forms part

of the opposition, will not oppose

him in a vote of confidence. If it did

so, the party would suffer retribu-don from voters back bome for

ousting the first Telugu prime min-ister of India.

This crisis gives Mr. Rao an op-portunity to show firm resolve. His

strong preference for political bar-

gains on this and many other issues

has earned him a reputation for procrastination and drift. He can

The next parliamentary elections need not be held until 1996. The

revival of the agitation at Ayodhya so long ahead of the poll plays into Mr. Rao's hands. While religious campaigns such as this produce

surges in popularity for the Hindu

militants, the crests tend to dissipate

The leaders of the BJP know this

and would prefer to play the revival-

ist card much later. Their recent at-

tempt to organize a national strike in protest against the liberal economic reforms being carried out by Mr.

Rao's government flopped badly. So the Hindu-Muslim issue is their only

potent weapon. The temple-building

campaign, the most effective means of raising that issue, has been hi-

jacked by more extreme groups be-

end there. Since the party is in power in Uttar Pradesh, the state where the

mosque is located, it has a responsi-

bility to maintain public order there.

If the state government allows tem-

ple construction to begin, it will vio-

late an injunction from India's Su-

preme Court. That would provide Mr. Rao with legitimate reasons to

dismiss the state government and impose direct rule from New Delhi.

cause it has held power in Uttar

Pradesh, the most populous state,

for only 17 months. The party knows

that it needs much more time to

entrench itself and build a political

base for a wider campaign to gain

So Mr. Rao has a good chance of

emerging in a stronger position

from this crisis. He can then contin-

tre opening the economy and hop-ing that this will produce benefits in

ome for the next elections, knowing

that Hindu extremists have done

The writer is a professorial fellow of the Institute of Development Studies at the University of Sussex, in Eng-land, and mahor of books on South Asian politics. He contributed this

comment to the Herald Tribune.

power at the center.

their worst.

This prospect alarms the BJP be-

The troubles of the BJP do not

yond the control of the BJP.

rapidly after a few months.

now turn that around.

position to extend belp of the kind that is required."

Mr. Bush insisted that "America must act." Mr. Truman said that the United States "must supply" assistance, and that "there is no other country to which democrade Greece can turn. Mr. Truman sensed the trap in his

own words: Justifying aid to these two countries might spark demands to contain the spread of communism worldwide by any means, indis-criminately, Dean Acbeson, his sec-retary of state, rusbed to head off just such interpretations. He told Congress that all future aid requests would be judged "according to the circumstances of each specific case." But these central and fine points soon vanished in the political-intel-

lectual maeistrom.
President Busb's intent is also limited — to use force to end starvation in Somalia. But he, too, knows that be is opening the door to pressures for bumanitarian intervention everywhere. He walked this line on Friday as best be could: "I understand the U.S. alone cannot right the world's wrongs, but we also know that some crises in the world cannot be resolved without American involvement." Defense Secretary Dick Cheney also scrambled to underline the "case by case" nature of the president's decision.

Whenever policymakers try to do something creative or deal with a new challenge, they cross traditional lines. Mr. Truman did so by asking for foreign aid to halt communism. Mr. Bush did so when be justified military intervention on bumanitarian grounds. But by crossing lines and establishing new policies on Greece or Somalia, neither wished to tie his own bands. On the contrary, each meant to give himself fresh choices for new circumstances.

Intellectuals, politicians and jourpalists rob leaders of choice when they consecrate policy as doctrine. Policies provide general direction and yet allow flexibility on ends and means. Doctrines virtually eliminate choice; either intervention is always called for or it is never permitted.

Doctrines demand consistency

over good sense. They demand answers in advance, where there can be only questions. To me, Mr. Bush made the right

decision in Somalia; but be is wrong not to back greater force in Bosnia. Yet his choices on Somalia and Bosnia should have little bearing on what Bill Clinton should do in Somaira. Bosnia. Haiti. Liberia or Central Asia. Presidents should always set directions but, especially in a messy world, retain the leeway to choose. It is pundits, not presidents. who carve new policies into doctrinal stone. It is the American nation that pays for this orthodoxy.

The New York Times.

Letters intended for publication should be addressed "Letters to the Editor "and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Help China . To Play by The Rules:

By Stephen S. Rosenfeld

WASHINGTON - In no cond. States must deal is there more of a mismatch between the agenda that is in the American political eve and the real agenda than in China. It will necessarily fall to Bill Clinton to bring the two into line.

To the American political (and journalistic) community, the agenda still centers on the repressions of democratic protesters in 1989. The subsequent disappearance of the Soviet union ending any strategic required ment to keep using Beijing as a global counterweight to Moscow, brought the echoes of Tiananmen (no more "coddling of dictators." Mr. Clinton said) into the presidential campaign.

Concerns of human rights and de-

mocracy need to keep a large place in U.S. policy. In the late 20th century it is simply unacceptable to conduct broad relations with a country that does not respect international norms; But what also needs to find its true and large place is China's staggering economic growth. Policymakers and consumers of news about China have been slow to pick up on what the journalists and other writers like Ba ber Conable. Jim Rohwer, Orville Sebell, Charles Horner, Rodney Mac-

Farquhar and Harry Harding tell us. The dismal fact is that even as the old Soviet bloc and especially the old Soviet Union struggle to extricate themselves from the debris of communism, China preserves the fundamental structure of communism, a single Marxist-Leninisi party. But the daz-zling fact is that meanwhile China is busily constructing an astonishingly

successful market economy.

How successful? The numbers are there for your inspection. To me the catchiest measure lies in the observadon by Mr. Rohwer in The Economist that China is now "a mere generation" behind the East Asian tigers - Hong Kong etc. In a generation's time. China, with low per capita standards but, at the moment, 1.15 billion people, could have the largest economy in the world, with a flourishing high-tech sector to boot.

In a generation's time, of course,

China could also be sinking. The country's guiding genius since 1978, 88-year-old Deng Xiaoping, he who said "Black cat or white cat, it's a good cat if it catches mice," could, have now down as "China's Peagan have gone down as "China's Reagan, presiding over a decade of greed" (Mr. Horner in Commentary).

Still, the prudent assumption must be that China's growth will continue, until it flags. In that indeterminate span Beijing will move increasingly into the world economy and into world-politics. China's revolutionary. side has been fading for some time. and China's more traditional productive but pushy Confucian s ing. This China turns out to be all elbows, dealing out bruises right and left as it makes a place for itself at an-

already crowded global table. The Chinese are capable of responsible regional conduct; they are helpful now in Korea and Cambodia, for instance. But in this phase of economic frenzy they are tough trading partners and, too often, reckless arms

The West has tended to see Japan as the natural leader of post-Cold War Asia. But Japan remains short on political reach. Russia is diminished for the duration of its post-Communist recuperation. America is edging back strategically in Asia as elsewhere. China has a triple claim. It is becoming not just a regional but a global economic colossus. It is becoming able to conduct an ever broader foreign policy. It is showing the world the way to recover from the disease of socialism.

Modernization empowers technocrats against ideologists, businessmen

against bureaucrats, regions against the center. Modernization could hollow out the shell that is the Chinese Communist Party. But against what seems to us its evident irrelevance, the party may insist that it has conducted an effective stewardship. The Marxist party may be over, the authoritarian party may not. In other words, we cannot expect that China's human

rights problems will solve themselves. At Tiananmen, the Chinese shot up peaceful demonstrators on world television — a gross provocation Mr. Bush's aide, in Beijing, raised a Champagne toast. Mr. Clinton can do better. He can treat human rights not as a Chinese obligation to America but as an international rule. He can be alert to the symbolism. He can deepen the U.S. and international dialogue with China on political and economic is-sues. All of this he must do in the awareness that China is taking on a new rating and a new role in the world.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO.

1892: Distress in Trade

LONDON - No hopes were entertained on the Manchester Exchange yesterday [Dec. 6] of an early settlement of the dispute in the cotton trade. Twenty thousand of the people affected, not being connected with any association, are for the most part in great distress. It was announced that an independent movement had been started, which would be represented by a white flag with the phrase "The Brotherhood of Man." The distress is increasing. Young men were urged to join the army or navy.

1917: Italian Art Safe

ROME - Against the possibility that the Germans may bombard cities of Northern Italy, the most elaborate precautions have been taken, not only in the zone occupied by the French troops, but also in those held by the British and Italian forces. All art lovers in America and Allied countries will take intense satisfaction

in knowing that all removable paintings, stames and other art treasures. from Milan to Venice, have been carried to places of safety or surrounded by cement and brick encasements. **

1942: Daylight Raids LONDON - [From our New Yorks

edition:] The United States Army, Air Force and the Royal Air Force teamed up perfectly today [Dec. 6] to unleash the greatest daylight air-attack on Nazi-occupied Europey that this war bas yet seen. While, American Flying Fortresses were bombing locometime and services. bombing locomotive and carriage works at Lille in France and America can-Liberator bombers were pounding the enemy airfield at?
Abbeville, France, more than 100,
British light bombers were attacking the Phillips Radio manufacturing plant at Eindhoven, in Holland,
American Norwegen Engels and American, Norwegian, French and Polish squadrons took part with the British, Australian, New Zealand and Canadian flyers.

--- The Straits Times (Singapore).

LEF W. HUEBNER, Publisher

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International Herald Tribune, Monday, December 7, 1992

CAPITAL MARKETS

Rule

Japan Inc.: Nowhere to Go **But Bond Markets in 1993**

By Mark Gilbert Bloomberg Business News

EW YORK — The world's bond markets face a deluge of new issues next year from Japanese companies with some \$76 billion of maturing equity-linked debt needing to be refinanced in 1993. I don't think we've ever seen Japanese companies plagued so much by financial problems," said Mineko Sasaki-Smith, economist at Credit Suisse in Tokyo. "You can't issue on the equity market at the moment, so it's inevitable for

them to go to the bond market." The redemption schedule begins with some \$22 billion of Most new financings equity-linked debt maturing in the first quarter of 1993. The will be debt not linked pace-heats up to \$27 billion in the second quarter, with almost \$15 billion maturing in June

with equity. alone, slowing to just over \$16 billion in the final quarter. That debt is the hangover from a borrowing binge by Japan Inc. in the late 1980s. Then, a booming Tokyo stock market had international investors hungry to buy equity-linked debt. Japanese companies were able to raise cash at razor-thin costs — some bonds paid interest rates of less than 1 percent — by offering investors the

option to buy stock or convert their bonds into stock Now, despite a recent rebound, the Nikkei Index is 55 percent below its end-1989 peak of 38,915.87, having closed at 17,295.69 on Friday. As a result, most of the equity-linked part of that debt is worthless to investors. UBS Phillips & Drew in Tokyo estimates that about 80 percent of all outstanding warrant bonds and convertibles are not worth exercising while the Nikkei index remains below 20,000.

"Japanese companies will be tapping all available sources of finance," said Matthew Berlow, senior economist at Credit Lyonnais in Tokyo. "A number of companies would like to go to the equity market, but in the current environment that's rather diffi-

TIH LITTLE PROSPECT of investors falling for the same trick twice, the bulk of the refinancing will have to be done through debt issues that are not linked to equity, placing a heavy burden on the world's bond

. "Alternative sources of financing are thin on the ground," said analysts at UBS Phillips & Drew in a recent report. The feeble condition of the equity market has not only reduced the demand for new equity

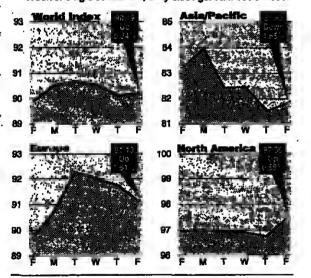
issues, but also the demand for convertibles and warrant bonds as Japanese companies, however, are not exactly flavor of the

month with international investors. The international bond markets are open to very few of the top companies," said Tim Bond, analyst at Tokai International, "Foreigners were happy to buy the equities, but they're not so happy to

Foreign direct investment in Japan in the half-year ended Sept. See BONDS, Page 17



International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, Week ending December 4, daily closings. Jan. 1992 = 100.



Industrial Sectors/Weekend close							
	124/12 cioso	11/2//32 dipen	% change		124412 close	11/27/92 close	change
Energy	90.52	90.16	+0.40	Capital Goods	91.90	91.12	+0.86
Utlities	85.08	85.75	-0.78	Raw Materials	91.58	88.84	+3.08
Finance	80.92	91.36	-0.54	Consumer Goods	93.81	92.61	+1,30
Services	99.03	99.10	-0.07	Miscellaneous	92.10	96.96	-5.01

The Index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Beiglum, Canada, Donmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zeeland, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the Index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

CURRENCY RATES

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Forward Rates					

By James Sterngold New York Times Service

TOKYO - The Ito-Yokado Co. is not the kind of company you would expect to find cutting deals with gangsters in public toilets. Japan's most profuable retailer, it is respectdas a model of disciplined management and no-nonsense efficiency.

Its 7-Eleven Japan convenience-store chain has become such a cash machine that when the Southland Corp., the chain's American founder, went bankrupt, Ito-Yokado could afford to rescue it.

That is why the company cansed such a sensation recently when three of its senior executives were arrested for making large illegal payments to the mob.

According to a confidential police docu-ment, Ito-Yokado's internal auditor and another senior executive entered the groundfloor men's rnom of the Nippon Life Insurance Building on July 13 and handed over 1 million yen, or about \$8,000, to a group of sokanya — a type of gangater that specializes in corporate extortion.

All three executives secretly met the gang-sters twice more and passed along another 26 million yen. In October, the police arrested the three, along with three gangaters. The incident is but one of the more striking

in a string of recent scandals that have thrust into the open a shadowy if rarely acknowledged side of Japanese business and politics:

intimate and durable connections with the Yet here was one of Japan's most highly underworld.

The continued influence of the sokaiya offers an important lesson to those who might consider investing in the Japanese stock market. Not only do payments to the sokaiya come out of the pockets of shareholders, but once the gangsters are bought off,

Mob Still Strong in Corporate Japan

The fact is that some companies seek our help and trust us.2

A sokaiya member.

they sometimes become savage instruments for suppressing legitimate questioning of the company's management at annual meetings, shouting down questions from shareholders or at times threatening to attack any challengers to the manage

In Ito-Yokado's case, the recent payeffs were made after the sokaiya reportedly helped insure that the company's annual meeting in June would come off without any embarrassing disclosures. The meeting, in fact, lasted a crisp 29 minutes.

Ito-Yokado's case was particularly star tling because the sokaiya were supposed to have nearly disappeared after 1982, when a new law made the corporate payoffs illegal.

regarded corporations making the largest known payment in the gangsters.

Before 1982, the National Police Agency estimates, there were 7,000 to 8,000 full-time sokaiya. Hiroaki Tashiro, a police superinstendent in the organized crime control divi-sion, said that the number fell abruptly when the law was changed, but that it has leveled off at about 1,250 sokaiya, and 40 or so groups. Since 1982, 80 sokaiya and 70 corporate officials have been arrested for violations of the law. Officials of 22 companies have been charged with making illegal payments to the sokaiya since those payments were outlawed a decade ago.

Hideaki Kubori, a lawyer who specializes in defending companies against sokaiya, esti-mated that before the law was changed the sokaiya community earned about 100 billion yen a year, or about \$800 million. Virtually every listed company made the payoffs, he added. Today, he said, the sokaiya earn about 5 billion yen a year and some 200 to 300 companies still make payoffs.

On the surface, these connections seem incongruous. The often flamboyant sokaiya offer a colorful counterpoint to the blue suited legions that guide corporate Japan. Although a diverse lot, sokaiya tend to wear snappy if occasionally loud suits, half-tinted

See MOB, Page 17

China Waves Investment Flag U.S. Fed Sends Team to Examine Policy Changes Urged to Draw Foreign Firms Bombay Scandal

NEW DELHI —A team of offi-cials from the New York office of the U.S. Federal Reserve will arrive in India this week as guests of the Reserve Bank of India, the central bank, to look into the alleged in-volvement of U.S. banks in India's financial scandal, a U.S. embassy

The U.S. team also will meet Citibank executives in Bombay, be told Press Trust of India. Standard Chartered Bank has filed suits against Citibank in New York and Bombay to try to recover \$40 million it claims it is owed by Citibank,

in a series of securities transactions Standard Chartered has filed 24 cases against five banks to recover 6.5 billion rupees (\$224.5 million) it said it lost in the scam, in which money was diverted from the banking system to pump up the Bombay Stock Exchange, often using fraud-ulent commercial paper.

BELIING - Chinese trade officials are considering important changes in investment policies, including opening up the domestic market to international con-glomerates and allowing private Chinese firms to set up joint ventures, an official report said Sunday. Meanwhile, another official said China would have

to slow the development of its stock markets because it lacked the legal basis to protect investors' interests.

Tong Yizong, deputy director of the Trade Ministry's Foreign Investment Administration, was quoted by the China Daily as saying that a number of con-

glomerates were pushing to set up shareholding sub-sidiaries in China, while other companies had ex-pressed interest in relocating their regional headquarters to China. "We are ready to give the green light to big compa-nies so they are able to conduct business in China as

anywhere else in the world," Mr. Tong said.

Adding that companies would be reluctant to invest if their freedom to manufacture and market goods were restricted, the official said China was plann allow these companies to sell their high-technology products domestically and to boy certain products locally for export to balance their foreign exchange.

He said negotiations were taking place with several large firms from the United States and Western Europe to invest in projects in electronics, automobiles, petrochemicals, machinery and instruments that could be worth several hundred of millions of dollars.

Mr. Tong said that a formal regulation would be published soon to allow privately owned enterprises in China to set up joint ventures with foreign partners. "We cannot fritter away the opportunities when a number of big conglomerates are pushing to set up shareholding subsidiaries in China," he said.

Regarding the stock markets, Lin Hongro, the depnty minister of the Securities Commission, said inves-tors' interests could not be protected because China had not yet issued a national company law, securities law or national regulations on stock exchanges.

"Our country's experiment in the stock system must continue unwaveringly," he said. "But at present it is not easy to expand the scope of public stock issues." China's two stock markets, in Shanghai and Shenzhen, together list about 70 issues. Analysts said Mr. Liu's remarks in the People's Daily newspaper appeared to rule out the possibility of a third stock market opening soon. (AP, UPI, AFP, Reuters)

Likely to Hurt **Swiss Markets**

By Brandon Mitchener

onal Herald Tribune

EEA Rejection

BASEL - The Swiss franc, stocks and bonds were all expected to sink Monday in a knee-jerk reac-tion to the psychological damage of the rejection Sunday of the European Economic Area, which effectively bars Switzerland from membership in the European Community. Economists, in a split that was

representative of the narrowest, most costly and most controversial referendum in the country's 701year history, were nearly as divided as local voters over whether the move would bring the country ruin or riches in the longer term. But they were all bracing for a short-

> As before the referendum, the fallout for the general economy remained unclear, with some economists saying Switzerland would suffer from continued isolation and others were convinced it would

The economie implications of the rejection were expected in be muted "since such a vote mainly confirms the status qun in the Swiss economic policy and regulatory environments," analysts at Salomon Brothers concluded in a pre-referendum study. Rejection of the European Economie Area does not affect Switzerland's numerous bi-

lateral treaties with other countries or with the Enropean Community.

Regarding the Swiss franc, Jim
O'Neill, an economist at Swiss Bank Corp., said: "The general as-sumption of people in Switzerland is that the rejection is bad news for the Swiss economy and therefore

the franc should weaken." "On the other hand," Mr.
O'Neill said, "the frane has always been seen as a safe haven, and given the current violence in Europe's exchange markets, 1 think that would continue to be the case,"

"I believe we'll see a negative impact for the Swiss franc, on the Swiss financial markets and on the stock market," Roberto Bianchi, Union Bank of Switzerland foreign exchange head, told Reuters. He said the Swiss franc could fall against the Deutsche mark in the

next few days to a rate as low as 92.50 Swiss centimes from a closing rate on Friday of 89.73 centimes. Blue-chip stocks were believed

unlikely in be affected because the major multinational companies are relatively less dependent on Europe. On the other hand shares of small companies, which are more dependent on Europe, were seen sagging.
But Swissair said in a statement

that the ensuing isolation would diminish Switzerland's economic attractiveness and that the airline would be among the first to suffer through lower traffic volume.

"Air transport all around Switzerland will be largely liberalized from 1993 onwards," Swissair I, "with other European airlines r ing the full benefits of free course tition for market share."

Hans Kaufmann, an analyst at Bank Julius Baer, told Reuters that shares listed in Zurich would most likely lose up to 4.5 percent in the short term but expected stocks to bounce back fairly quickly.

"We'll probably see some small tn medium-sized Europe-oriented export stocks suffering, if anyone has to suffer," he said.

But be expected some major stocks to do well, adding that he would be recommending financial stocks in particular.

Mr. Kaufmann said this was because Swiss inflation was set in stay relatively low and interest rates accordingly low in the first half of next year, and this would benefit Bonds were nnt expected to suf-

fer in the long term, analysts said, because the Swiss National Bank would hold a steady course with interest rates.

"Monetary policy will remain unchanged," the SNB president, Markus Lusser, told Reuters.

Like the Swiss franc, the bond market bas profited in recent months from any renewed tensions among European currencies, ana-

They said that the biggest immediate loser in the referendum was See Franc, Page 17

Paris Notebook

Technology University Seen by '94 on Riviera

university on the French Riviera appears to be gathering momentum. Backers say funding, site selection and operational details should be

Backers say funding, site selection and operational details should be ironed out by June to prepare the opening, a year later, of the Sophia Institute of Technology — a joint venture of the world's leading technology universities and advanced technology companies. "I'm 99 percent sure this is going to work," said Serge Miranda, a computer sciences professor at Nice University, who cooked up the idea a few years ago with his former professor, Michael Melkanoff, of the University of California at Los Angeles.

The two professors have released an upbeat feasibility study indicating that SIT could begin offering full-time and continuing education programs by the summer of 1994 and be self-supporting within five years, growing to more than 500 students and 60 faculty members and becoming the "top transmitional institute in Europe."

The plan calls for SIT to offer American Masters and Ph.D. The plan calls for SIT to offer American Masters and Ph.D.

graduate degrees in computer sciences and technological management, and to expand to provide degree programs in environmental engineering, telecommunications, advanced manufacturing, electronics, aerospace, nuclear power and biotechnology and genetic engineering.

Mr. Miranda and Mr. Mellomoff have rallied a score of prestigious Mr. Maranda and Mr. Melicinost have railed a score of presugous American, European and Asian universities, which have sent letters indicating their willingness to join forces within SIT. They include UCLA, Carnegie Mellon, Cornell and Harvard in the United States, Aachen of Germany, Politecnico di Milano, Napier of Scotland, Kyoto, Kyushu and Tokyo universities in Japan, KAIST and Postech of South Korea and Shandong University in China.

Most of the \$60 million needed to fund the institution's start-up is

expected to come from city and regional authorities. Support from the French government and European Community also is possible. Mr. Miranda would like to see the institute established at the Sophia

Antipolis science park west of Nice.

Corporate sponsors, who might together contribute 20 percent of start-up funding, would be active participants in academic and research programs, providing chairs in their specialities, scholarships and hardware and software. Companies indicating an interest in SIT, Mr. Miranda said, include Mitsubishi, Matsushita, Sharp, Sony, Toshiba, Fujitsu, Teradata, Digital Equipment, IBM, Rockwell, Electronic Data Systems, Sun Microsystems and Silicon Graphics.

TGV Revs Up for South Korea

Twelve years after France introduced its TGV — Train d Grande Vitesse—its designers are getting optimistic about landing their first firm non-European export order for the high-speed train. South Korea is expected to decide soon which of three competing high-speed rail systems — French, German or Japanese — it will adopt for a 400-kilometer (250-mile) line from Seoul to Pusan.

GEC-Alsthom, the 50-50 joint venture between General Electric Co. of Britain and Alcade Alsthom of France, has bid to supply TGV colling stock and sequinare mouth up to 3 billion European

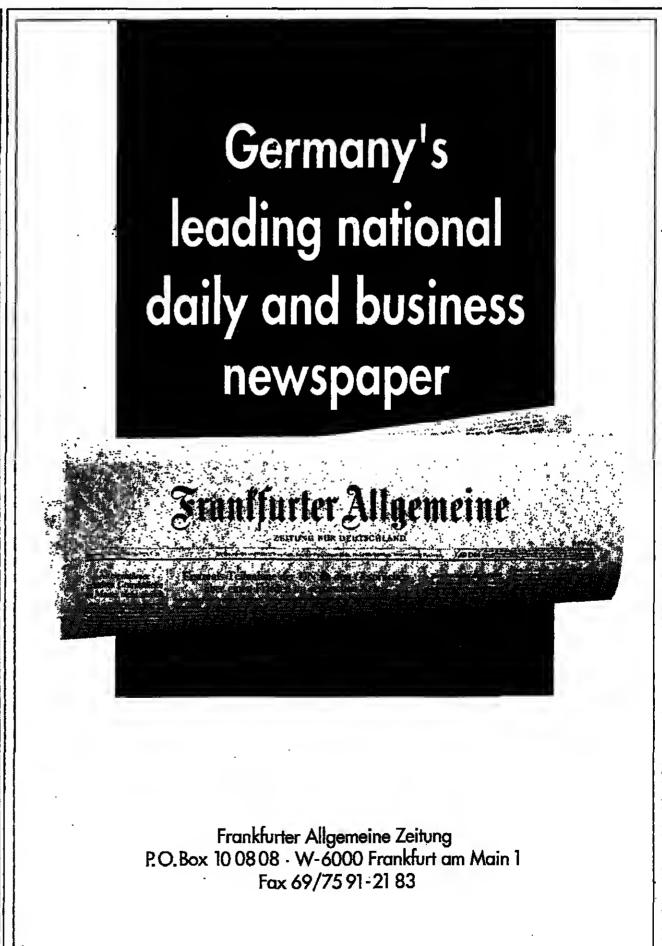
TGV rolling stock and equipment worth up to 3 billion European Currency Units (\$3.7 billion).

Michel Reveillon, Asia regional director for the company, said he was hopeful that political considerations between Japan and Korea would not play a determining role, and that the Koreans would go for the best proven technology. The TGV bolds the world speed record for rail at over 500 kilometers per hour in test runs.

No Rush on French Ecu Bonds

While the French Treasury says it remains committed to the Ecn bond market, don't look for any proof of it in the near term. Analysts say it's unlikely that France will issue any state debt denominated in Ecus in the coming months, and if it does, the amounts will be small. Indeed, the Treasury indicates that it will be more attentive to market forces than political forces in the year ahead. "We have a responsibility to this market," a Treasury official said. "We want to issue in Ecu as soon as possible, but only under fair circumstances of price and demand. If not it would do more harm than sood."

price and demand. If not, it would do more harm than good." The government had promised it would issue 50 percent of its debt in Ecus in 1992, but the Danish "no" to the Maastricht treaty in June and the resulting collapse of the Ecu market forced it to abandon the idea. Ecu bond issues have accounted for only 5 percent of total medium- and long-term debt issued by France this year.



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Bond Market Is Cool to Bentsen as Treasury Chief

Campiled by Our Staff From Dispatches

NEW YORK - The apparent decision by President-elect Bill Clinton to nominate nance Committee, for Treasury secretary brought mostly unhappy reactions from as a dollar booster and inflation hawk. Both economists and bond traders.

David Jones, chief economist at Aubrey G. Lanston & Co. in New York, said that the Texas Democrat "was not the first choice of the financial markets by any means."

lot of market participants who would rather have a Treasury secretary who understands capital markets and Treasury issues, and so they may be disappointed in that regard." A poll of bond market participants by

Micky Levy, an economist at CRT Govern-

Stone & McCarthy Research Associates found that 170 favored Paul Volcker, the former Federal Reserve Board chairman, for Lloyd Bentsen, chairman of the Senate Fi-the job, while only 16 backed Mr. Bentsen. Mr. Volcker is well known in the markets

bonds and the dollar would rise if he were appointed, analysts said.

U.S. CREDIT MARKETS

But aides to Mr. Clinton said Mr. Volcker ment Securities Ltd., said: "I think there are a had been considered potentially too independent for the job, and that Mr. Bentsen had been tapped because he was more attuned to the incoming president's ideas and could sell them better to Congress. Mr. Jones said that, besides being a team

player, Mr. Bentsen was "generally viewed as someone who could effectively put Clinton's economie program through Congress."

Mr. Levy said he did not believe bond

OREPUBLICAN CONTROL OF THE White House.

U.S. Treasuries closed strongly higher Friday.

The market took a brief early hit on No-

prices would necessarily go down on a Bentsen appointment, however.

Cynthia Latta, an economist with DRI/McGraw Hill. said she did not believe the nomination would "bother the markets Clinton stimulus plan.

The 7% percent 30-year bond was up Sources on the Clinton transition team

said the president-elect was likely to name sharply from 7.55 percent Thursday. the key players on his economic team on Wednesday, with Mr. Bentsen getting the

Mr. Bentsen, 71. is known as a skillful and tough negotiator who championed Demo-

vember's stronger-than-expected employment report, but traders said it rebounded quickly after a closer look at the numbers and on speculation the data would limit any

25/32 point, for a yield of 7.48 percent, down

Economie data was expected to be favorable this week, with analysts expecting the core rate of inflation both at the wholesale and retail level to show modest rises of 0.2 percent in November, when figures are recratic party policies during the past 12 years leased Thursday and Friday. (Reuters, AP)

Bonn Is Seen Winning EC Central Bank

LONDON - Bonn is expected to be named the headquarters for the European Community's future central bank under a deal to be presented at the EC summit meeting in Edinburgh this week, the Sunday Times said.

Quoting French and German ources, it said the bank would go to Bonn, while Prime Minister John Major of Britain would seek some unit of it, perhaps dealing with forign exchange, for London.

The sources doubted he would draw any part of the bank to London, however. Paris, Frankfurt and London, among others, have lobbied hard to house the bank.

said she had no knowledge of any plan to name Boun as headquarters. But the vice president of the EC Commission, Sir Leon Brittan, suggested on BBC television Sunday that Bonn was a likely compromise The Week Ahead: World Economic Calendar, Dec. 7 - Dec. 11

A schedule of this week's economic and

• Dec. 7 Hong Kong Results of 1992 survey of toreign investment in Hong survey or roreign investment in Home Kong, Curlook Likely to show a aurge. Belling Prime Minister Li Peng and the deputy prime minister for state planning, Zou Ja-Hua, meet with Deputy Prime Minister Chol Gak Kyu of South Korea. Agenda: Economic cooperation.
Perth Council of Australian governments conference, with Prime Minister.
Paul Keating and premiers of six states.
Outlook: Likely ergument over financing

and debt issues. Tekyo Former Prime Minister Noboru Takeshita teetiles before Upper House budget committee about alleged hims of gangaters to aid his 1987 campaign, in Bes. 8 Hong Kong Opening of three-day Chinese-British Joint Luston Group meeting. Outdoot: Liste progress in dispute over reform is Hong Kong. Bes. 9 Geneva Meeting of working party on China's re-entry into GATT. Asserties Stree and timping of territing test to be

Agenda: Size and timing of tariff cuts to be required from Beijing. Camberra Housing starts for September quarter. Forecast: Continued growth, after 9.7 percent rise in June period.
Teligo Machine tool orders for October.
Forecast: Down as much as 40 percent in

data for November, Forecast: 11.1 per-cent, down from 11.5 percent in October. eart, down from 11.3 percent in October. Telge Supplementary budget of \$5.8 billion expected to pass parliament. opens first office in India. Bes. 11 Tokyo Bank of Japan's quar-terly "tankan" survey of business sentiment, the country's most closely watched economic indicator.

Europe

Dec. 7 Bruseels EC farm ministers meet. Agenda: Clarifying positions of member states on GATT. Millen Local public holiday; offices and banks shut. Financial markets and government offices in Rome open. Machid Public holiday in Spain.

Stockholan November unemployment

rate expected this week. Forecast 5.8 percent in October. Frankfurt October retail seles expected this week. Forecast Up 1.0 percent in this week, Potecast up no percent year, etter 3.2 percent rise in September. Dec. & Austria, Italy, Portugal and Spale: Markets closed. Basel, Switzerland EC central bank gov-

ernors hold monthly meeting at Bank of munity summit meeting which starts on Dec. 11,

Dec. 6 Milan Italian Senata votes on 1993 budget. Outlook: Majority in favor: Chamber of Deputies seen as likely to dex. Forecast: Up 3.2 percent in year, atter 3.5 percent rise in October.

Dec. 10 Frankfurt Last Bundesbank

ercent, or slight rise to about 4 percent

Lisbon Parliament votes on Maastrichi Treaty on European Union. Outlook: Strong mejority in tavor of treaty. Oalo November consumer price index. tat: Up 2.1 percent in year, after 2.2

ent rise in Oc an September Industrial orders. Orders were down 10.8 percent from a year

point on European monetary union.
London November retail price index.
Forecast Up 0.1 percent in month, and up
3.2 percent in year.

Stock Indexes

DJ UHL OJ Trans. 5 & P 100

Hong Kong

United States Dec. 4 Nov. 27 Chrise

3.288.68 3.282.20 + 0.20 % 216.57 217.95 - 0.63 % 1.430.27 1.411.33 + 1.34 % 393.30 391.67 + 0.42 % 432.06 430.16 + 0.44 %

Last Week's Markets

2,760,10 -0.03 % 2,077,50 +0.24 %

ident Mikhai S. Gorbachev speakus to Břa-zillan buelness leaders about "new role of the state in it market economy." Boston: Wang Laboratories has a hear-ing in U.S. Bankupsor Court. Earnings expected: Deere & Co. Dec. 9 Washington Fed issues Beige

to emerge from bankruptcy. Earnings expected: H. J. Heinz Co.

Dac. 10 Washington November pro-ducer price Index. Forecast: Up 0.1 per-cent; excluding food and energy, up 0.2

Nov. 27

734 7 5/16

3.00

3.00

Dec. 11 Washington Nove sumer price sidex. Forecast: A 0.3 per-cent increase in prices. Washington November retail sales. Forecast: Up 0.1 percent,

Money Rates

United States

Discount rate

Germany

Kuwaitis Call for a More Open KIO

KUWAIT — The collapse of Knwait's investments in Spain that this money would not be sac-must know." brought calls over the weekend for rosanct. country's overseas holdings.

agement, immorality and official secrecy in the loss of more than \$4 billion in public money. "The Theft of the Century," said

Grupo Torras is the Spanish unit of the London-based Kuwait In-vestment Office, the branch of the government that manages a worldwide investment portfolio meant to sustain Kuwaitis when the coun-

try's oil runs out. those who abused public money and to freeze their money until the judicial anthorities have investigated this tragedy," said Abdul Jalil Gharabali, formerly a consultant to

the Central Bank of Kuwait. Jassem Saadoun, an independent consultant and economic adviser to parliament, said the problems were the "result of choosing the wrong companies with the wrong manage-

ture a domestic corporate bond

market, and the need for that has come up because of the weakness

of the equity market," Sasaki-Smith said. "However, the absorb-

ing power of the domestic market

ment and of a premeditated inten-tion on the part of decision makers is most unorthodox. The people

the punishment of those responsi"The secrecy which has surble, as well as the removal of the rounded these investments in the for details of the Grupo Torras shroud of secrecy surrounding the past was a big mistake," he added. debacle.

Kuwaitis have been almost whol-

MUTUAL FUNDS Bld Ask

the opposition newspaper Al Qabas in a banner headline on its report that Grupo Torras SA is filing for receivership to stop further losses.

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Herald

REACHING THE EUROPEAN LEADERSHIP

Board Members of International Companies*

Ÿ. 36 33 23 17 15 30 13 6 National Geographic Scientific American USA Today

The IHT is read by more Continental European board members listed in the international Who's Who than any other international publication.

*Source: Who's Who in Europe Survey 1992.

Herald Eribune.

BONDS: Japan Inc. Strains to Refinance a Load of Equity-Linked Debt

\$ 60 1996 2% 100 101.63 Noncollable. Each \$10,000 note with two warrants exercisely into company's shares of an expected 29% premium. Fees 26%, Terms to be set Dec. 7. (Nikto Europe.)

30 dropped 15 percent to \$2.11 billion after surging 56.7 percent in the year ended March 31. Foreign investors sold a net \$3.6 billion of bonds and a net \$99 million of

. .

Ecus

Works

NGK Spark Plug

Nippon Comsys

Olympus Optical

Yoohan Japan Corp.

Meanwhile, Japanese companies continue to retrench from overseas investment, with Japan's foreign direct investment falling 12 percent to \$17.4 billion in the same period. There is little prospect of Japanese banks being able to satisfy much of the need for capital. They are already struggling to meet the Bank for International Scitle-

(Configured from first finance page)

sunglasses and jewelry meant to

show every yen of its worth. It is a

look that says the sokarva do not

mind standing out - one reason

they can seem so menacing in this

"Everything we do is illegal,"

stid one sokaiya member, a smartly

dressed man in a double-breasted

pale plaid suit and pink tie with a

golf club motif. He spoke of his 20

ment's capital adequacy require-ments by March 1993, and are were priced high at launch, then more likely to rein in their lending activities, analysts said.

\$200 1996 2% 100

\$400 1996 2% 100

\$100 1996 234 100

£76 2007 7¼ 100

One route being explored by Ja-pan Inc. to satisfy its craving for capital is a renovation of the moribund domestic debt market. Just this week, telecommunications gi-ant Nippon Telegraph & Telephone delighted investors by selling 80 billion yen (\$642 million) of seven-year bonds using the fixed-

MOB: The Threat to Japanese Business Is Still Strong

discounted to investors, making it hard for buyers to assess value. The fixed-price reoffer system

able into company's shares at 929 yen per share and at 125.40 yen per dollar, Fees 25/%. (Yamaschi int'i Europe.)

Noncolloble, Esch \$10,000 note with two worrouts exercis-oble into company's shares of 1,087 yen per share and of 125,80 yen per dollar. Fees 24%, (Yamaichi Int'i Europa.)

Noncallable. Each \$10,000 note with two warrants exercisable into company's shores of 1,107 year per shore and at 125.80 year per dollar. Fees 216%. (Yamaichi Int'i Europe.)

Nancallable. Each \$5,000 note with one warrant exercisable into company's shares at 1,353 yea per share and at 125.35 yea per dallar. Fees 24%, (Nomura Int'L)

99.75 Semicranually, Calleble of par from 1998. Conventible of 312.8 pence per share, a 20.80% premium. Fees 299%. (Bardays de Zoete Wedd.)

100.13 Noncollable. Each \$10,000 note with two warrants exercisable into company's shares of an expected 25% prensum. Fees 25%. Torms to be set Dec. 8, \$100 million issued in Europe by Yamaichi left, and balance issued in Asia by

which originated in the United States and has gained acceptance in the Eurobond market in recent years, attempts to set a price that reflects the issue's true value. Underwriters then agree not to offload

bonds below the reoffer price. While such impovations should help make the domestic market price reoffer system, a novel approach on Japan's domestic scene.

Except for one previous NTT take up some of the slack.

Mr. Berlow was skeptical about the prospects for the domestic market. "Since at least the mid-1980's there's been talk about developing the domestic bond market, but it still hasn't happened. Perhaps there'll be some improvements, but I don't expect much," he said.

Euromarts

Dec. 2 7.85 6.67 2.55 9.85 13.42 11.40 9.17 4.56 1.23 7.74 5.87 4.16 Aus. S, less than 5 yes

There is even a special newsletporate officials and sokarya sub-

Some sokaiya are former ac-

The list of those who have dealt with the mob in one way or another has grown to a troubling degree in

A study commissioned by the of Japan's organized crime fam-Noboru Takeshita's campaign to become prime minister in 1987. Like the Mafia, the yakuza engage in a range of illegal activities, from prostitution and gambling to fraud. Most sokaiva belong to the vakuza; others are affiliated with it.

At a Glance

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BusinessWeek

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This week's topics:

O Move Over, Boomers, The Busters Are Here O Europe's Chipmakers: A Dream Deferred O Japan Revs Up Its Car Production in Europe O Bitter Pill For NutraSweet O Israel's Volatile Economy Is Riding High

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FRANC: Weakness Is Expected

(Continued from first finance page)

not the economy, but rather Swiss unity, because of the deep divide between German Swiss and French Swiss public opinion. The former is against the European Economic Area and the latter supports it.

The parliament will be paralyzed because the referendum produced a divide not just between the classe politique and the people, but also between French-speaking and German-speaking Swiss," said Markus Allenspach, an economist at Union Bank of Switzerland.

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dum. An overwhelming majority of conservative German-speaking Swiss, however, voted against join-

Exit polls showed that the main fear of voters was that high Swiss wages would be diluted by an in-

Swiss government found that EEA ilies, known as the yakuza, helped membership would have added 0.5 percent to economic growth in coming years through increased trade and open access to a bigger market in services. Switzerland has been in recession since the begin-

The government, big business and unions supported the referening the EEA, a potential market of 380 million people and a doorstep to membership in the EC.

use violence, but rather threats of

flux of foreign laborers willing to

ning of 1990.

years in the business on the condi- it, as well as nuisance tactics and promises to disclose at annual tion that he not be identified, deshareholders' meetings embarrassscribing the world he lives in and ing information about the misuse how routine his contacts with corporations have become. "People of company money, the sexual peccadilloes of top executives or failed like us are told we should not exist, deals. Capitalizing on the Japanese but the fact is that some companies penchant for secrecy, they can use almost any such information as a seek our help and trust us, or we wouldn't still be around." weapon to extort cash. There are many types of sokaiya, There are also many sokatya who but their principal method is inoffer themselves as mediators to timidation. They generally do not

> ing the companies, much as lawyers do in the United States. ter. Confidential Lobby, that provides details on sokaiya activities and legal developments. Both cor-

deal with others who are threaten-

countants at major companies, journalists or former secretaries to

A powerful politician acknowledged recently that the boss of one

Dec.

Amsterdam

Demand for cyclical stocks drove shares higher amid heavy trading, brokers said.

The CBS all-share index closed at 196.0 points, up from 193.6 the previous Friday. Total share volume was 3.32 billion guilders, up from 2.8 billion the previous week. Kempen & Co. brokerage predicted profit-taking this week and warned that further upside potential was limited.

tial was limited.

Frankfurt

Prices in the stock market were little changed as hopes for a cut in interest rates before the year-end

disappeared.
The DAX spot trend index finished on Friday at 1,522.16, down less than a point from the previous Friday. Volume on the eight German exchanges totaled 25.1 billion Deutsche marks, up from 23.8 bil-

lion the previous week.

"The market is just marking time," WestLB bank commented. "Operators finally gave up any hope of seeing the Bundesbank lower key interest rates before the

end of the year, and there is still no positive news on the economic

Hong Kong

Panic selling wiped 12 percent off share prices as the British-Chinese row over the future of Hong Kong escalated.

Heavy selling pushed average daily turnover up sharply to 4.095 billion Hong Kong dollars.

The crisis in confidence stemmed from statements by Beijing that all contracts signed with the British colonial administration without China's approval would not be honored after the Chinese takeover

By Thursday near panic had set in and the index plunged 433.44

Big investors went bargain-hunt-ing Friday and the index rebound-ed 289.89 points. But volatility was likely to continue in the short term with the retail sector the most vulnerable to political developments,

London

Share prices hit record highs on signs of a pick-up in the British economy and a recovery in the United States, before slipping back to finish virtually unchanged on the

The Financial Times-Stock Ex-Kong escalated.

The Hang Seng Index plummeted 718.57 points to close the week's trading at 5,268.10.

Change 100 index closed at 2,727.7 points on Friday, down 0.7 point on the week. The blue-chip FT-30 index gained 4.9 points to 2,082.4.

Monday's money supply figures encouraged hopes of an upturn in consumer spending and sustained the rally that had started at the end on a downward note after the chancellor of the Exchequer, Norman Lamont, said the pound had "fallen far enough," effectively ruling out an early cut in interest rates.

The political and economic crisis in Italy hit stock market sentiment and leading shares lost 4.24 percent

.20 2.2

是 33

40 24 12 24

+1%

on the week. The MIB index fell 37 points to close Friday at 835.

The huge budget deficit, concerns about the effect of the govcerns about the effect of the government's ansterity and privatization programs and the decreasing profits following recent gains.

The Nikkei average of 255 issues closed Friday at 17,295.69 yen, 174.97 yen or 1 percent from

Paris

Indications of the French and German authorities determination to defend the franc within the European monetary system boosted

The CAC-40 index gained 1,83 percent, extending gains on the De-cember account to 3.55 percent.

Singapore
Prices eased in trading that was extremely cautious, overshadowed by the slump in Hong Kong.
The Straits Times industrial index test 5.62 points to close Friday dex tost 5.62 points to close Friday at 1,442.34, while the SES all-Sin-gapore index dipped 0.5 to 379.85. Dealers said major institutional

investors had temporarily ceased activity, removing a key element of support from the market.

Share prices finished lower as

the previous week.

The Tokyo Stock Price Index, based on all first-section issues, finshed at 1,302.85, down 4.69. Losses were cut after the lower house of parliament approved bills for the government's supplementary budget. But the the slide in Hong Kong stock prices and the release of gross national product figures, which showed a drop of 0.4

percent in the September quarter. Zurich

Shares prices firmed steadily after a hesitant start to the week. although volume was low as international operators stood aside ahead of Sunday's vote on joining the European Economic Area. The Swiss Performance Index closed Friday at 1,158.79, up 20.02

points on the week.

and took over in 1985. (Bloomberg, Reuters)

Chinese Firm

In Share Sale

in Hong Kong share prices, the company said Sunday.

Guangzhou Investment said that

for the 382.5 million shares on offer

at 1.05 dollars (14 U.S. cents) each,

88.15 billion shares, or about 230 times more than were available.

Guangzhou Investment, which is

controlled by the Chinese city of

Guangzhou, has seven properties

under development, five in Hong Kong and two in Guangzhou. It

also owns three other sites in the

had received applications for

Hits It Big

BUSINESS BRIEFS

American Express Chairman to Go

NEW YORK (NYT) — American Express Co. said over the weekend that it had begun to seek a replacement for James D. Robinson 3d. its chairman and chief executive for 15 years, Mr. Robinson is participating

HONG KONG — An initial public offer of shares by Guang-zhou Investment, a China-controlled real-estate company, was heavily oversubscribed despite its coincidence with last week's plunge in Hong Kong share prices, the

China Eases Way for Formosa Plastics

TAIPEI (Bloomberg) — Formosa Plastics Group has won a key concession for a proposed a multibilition dollar petrochemical project in China.

Chairman Y. C. Wang said Saturday that Deputy Prime Minister Zha Rongji of China had promised FPG permission to sell 100 percent of production within China. so long as Beijing was allowed to take an investment stake in the project. FPG had set aside a \$7 billion petrochemical compiler in Euijan Province because authorities would not sine the cal complex in Fujian Province because authorities would not give the company permission to sell more than 30 percent of its output in China.

Argentina Signs \$29 Billion Debt Deal

Chinese city.

Meanwhile, the Hong Kong government said it had decided to pro-BUENOS AIRES (AFP) — President Carlos Saul Menem signed an agreement Sunday with the country's creditor banks allowing for a refinancing of \$28.8 billion in debt. The accord effectively reduces the amount of capital owed by Argentina by more than 12 percent. ceed with the sale of Overseas Trust Bank, which it declared insolvent

MACDA	O MATIONA	MAADWET
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OTC Consolidated trading for week ended Friday, Dec. 4.

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SPORTS BASKETBALL

ملتامن الأصل

Giants and Bonds Tentatively Set on \$43 Million Deal

LOUISVILLE, Kentneky -The San Francisco Giants have decided to make Barry Bonds the highest-paid player in the history of major league baseball, with a con-tract that is believed to be worth 543 million over six years.

As the team owners gathered for has the team owners gathered for baseball's winter meetings, the Giants issued a brief news release Salurday night that said they had reached a tentative agreement with with the free agent outfielder "subject to the completion of specific contract language."

Lemieux Has 7-Point Night

Mario Lemieux tied a career high with six assists and played a part in all five of Pittsburgh's power-play goals, scoring one himself, as the visiting Penguins beat the San Jose

Sharks, 9-4, on Saturday night.

Lemeux, who sat out a 5-3 loss
Thursday in Los Angeles with a
sore left heel, had his most productive game of the season, adding his eggne-leading 31st goal with 5:49

NHL HIGHLIGHTS

left to play. The seven-point night gave him a league-leading 75 points

North Stars 7, Nordiques 4: Minnesota set a team record with its seventh straight road victory de-spite three goals by Mats Sundin. Sundin now has at least one point in each of Quebec's 28 games, is nied with five other players for the fifth-longest streak in NHL history but still far behind the record of 51,

set by Wayne Gretzky in 1983-84. Khaes 7, Whalers 3: Defenseman Rob Blake scored twice as Los Angeles got its team-record 12th con-

secutive home victory. Boston 4, Devils 2: In East Rutherford, New Jersey, Russian rookie Gregori Pantaleyev scored his first with 67 seconds left salvaged a 2-2

Maple Leafs 2, Blackhawks 2: In marks allegedly made by Schou, said that his group probably will provide a progress report on its work during the week. (WP, AP)

The deal would be the largest in baseball history by far, topping the \$32.5 million, five-year contract signed this year by shortstop Cal Ripken and the Baltimore Orioles. The average annual value would

The average annual value would be at least \$7,166,667, making Bonds the highest-paid player in baseball, a spot previously held by the Chicago Cubs' second baseman Ryne Sandberg at \$7.1 million.

Bonds recently won his second National League most valuable player award in three years with Pittsburgh. He hit 311 with 34 homers and 103 RBIs and 39 stolen homers and 103 RBIs and 39 stolen bases last season, and led the league with a .456 on-base average

and a .624 slugging percentage.

Bonds, 28, also won another
Gold Glove as a left fielder. The New York Yankees had offered a five-year, \$36 million deal, while the Cubs and Boston were to meet this week with his agent, Den-

Gilbert told ESPN that Bonds's godfather, Willie Mays, has agreed to permit Bonds to continue to wear No. 24 — which was Mays's number, now retired by the Giants. Sources also said that the team's new owners will hire Bonds's father, Bobby, as the Giants' hitting instructor and name Dusty Baker

their manager by early next week.

Bonds, 28, grew up and went to high school in the Bay Area while his father played right field for the Giants. He's widely regarded as the best all account of the player in best of the section. best all-around player in baseball. Minnesota and Philadelphia made the first deal of these meetings, with the Twins sending David West to the Phillies for Mike Hart-

ley in a swap of pitchers.

The Dodgers made two moves with free agents, re-signing reliever Roger McDowell and luring Cory Shyder from San Francisco. They work not transport 33 million deals each got two-year, \$3 million deals.
Baseball's biggest controversy,
involving the Cincinnati Reds'
owner, Marge Schott, does not seem likely to be resolved at these meetings. Douglas Danforth, the Pirates owner who is serving on the four-person committee assigned to investigate the racial and ethnic re-



Thomas Hill driving past Michigan's Jalen Rose, 5, in the first half of Duke's 79-68 victory.

Jordan and Bulls Are Back

Michael Jordan was back, scoring 10 of his 24 points in the fourth parter, and so were the Chicago Bulls, who posted a 96-89 victory over the visiting Boston Celtics. The Bulls, winning for the fifth time in six home games, didn't take the lead for good Saturday night until Jordan's basket with 4:26 left gave them an 83-81 lead.

The Celtics rallied from a sixpoint deficit at the start of the fourth quarter to gain the tie, after Xavier McDaniel, who led Boston with 22 points, had scored seven straight points during an 11-2 run at the outset of the third quarter that put the Celtics on top 53-51. But the Bulls countered with a 15-5 spart, capped by a three-point play by B.J. Armstrong, that gave them a 66-58 lead with 4:28 left. The loss was only the second in seven games for the Celtics after a

practice with a strained arch in his left foot, was coming off a 38-point performance Friday night against Portland. He claimed that the layoff "caught up to me. It affected my shooting. I had no rhythm."

Trail Biazers 96, Cavaliers 94: In Richfield, Ohio, Cliff Robinson scored 11 of his 24 points in the

NBA HIGHLICHTS

fourth quarter and Kevin Duck-worth's only second-half basket won the game for Portland.

The Cavs, who have lost seven straight to the Blazers, led throughout the fourth quarter until Duckworth's short baseline jumper put the Blazers ahead, 95-94, with one

Nets 111, Heat 104: Drazen Petrovic scored 29 points, making two 3-points shots during a 10-2 run in Miami that gave New Jersey its Jordan, who missed six days of sixth straight victory.

Mason scored a career-high 25 points, Charles Smith scored 23 and Patrick Ewing 20 as New York's five frontcourt players out-scored visiting Milwaukee's six big

men, 81-58. Hawks 113, Spurs 105: Dominique Wilkins scored a scason-high 44 points and Mookie Blaylock had a career-high 17 assists as Atlanta won at home. San Antonio star David Robinson, guarded mainly by Jon Koncak, was held to three points in the first half and 12 (or points in the first half and 13 for the game on 5-for-18 shooting.

Pistons 112, Sixers 88: Bill Laimbeer had 18 points and pulled down his 10,000th NBA rebound as Detroit beat visiting Philadelphia.

Rhodes led Kentucky with 27 Pacers 111, Bullets 109: Rik Smits' rebound basket with three seconds left capped a 10-0 run that gave visiting Indiana its victory. Washington rookie Tom Gugliotta had 19 points, 11 rebounds and 11

Duke and Kansas Upset Michigan and Indiana

dow when the No. 1 and 2 of college basketball met the third- and

fourth-ranked teams. In Durham, North Carolina, No.
4 Duke extended its home court winning streak to 31 games with a 79-68 victory over No. 1 Michigan on Saturday night. And in India-napolis, Steve Woodberry made four free throws and Adonis Jordan added two more in the closing seconds as third-ranked Kansas came from behind to beat No. 2

Indiana, 74-69. The Blue Devils, 2-0, two-time NCAA champions, led by as many as 14 points in the second half and despite not scoring a field goal over the final 5½ minutes until a layup at the buzzer, were never really

Michigan, 1-1, the team that shocked the college basketball world last year with five freshmen and has its utmost respect now that they are sophomores, committed 19 turnovers and made just 4 of 11

Thomas Hill led Duke with 21 points, while Bobby Hurley had 20. Jimmy King led Michigan with 20

In the other game, the Jayhawks, 2-0, trailed by as many as nine points in the first half and by as many as five in the second. Indiana, 4-1, led 69-66 before Woodberry's four free throws put Kansas ahead 70-69 with 1:38 to go. Indiana did not score a field goal in the

final three minutes. Jordan and Rex Walters led the Jayhawks with 16 points spiece.
Indiana was led by Calbert
Cheaney, who had 8 of his 26 points
during a 5-minute run that crased
the Jayhawks' biggest lead, 64-58,

midway through the final period. Kentucky 96, Georgia Tech 87: In Lexington, Kentucky, Rodney Dent slammed in two dunks and blocked a shot to kill a rally by No. 13 Georgia Tech, 1-1, and power No. 5 Kentucky, 2-0, to victory. Jamal Mashburn and Rodrick

points apiece. Travis Best topped Georgia Tech with 27, as well. North Carolina 104, Texas 68: In Charlotte, North Carolina, Donald Williams scored 19 points and George Lynch got 17 as the seventh-ranked Tar Heels, 3-0, beat UCLA 69, Santa Clara 60: In Los

Bulldogs, 2-1. The Buildogs scored 13 of the first 21 points of the second half to pull within 47-37 on Chuck Evans'

Broncos, 1-1. jumper with 12:43 remaining. The shot that gave Iowa a 54-39 lead

with 10:39 to play.
Louisville 73, Michigan St. 69: In
Detroit, James Brewer, a reserve,

COLLEGE BASKETBALL

scored 18 points and led 12th-ranked Louisville to victory over

No. 18 Michigan State.
Shawn Respert, who led Michigan State with 24 points, hit one of two free throws with 1:16 left to cut the Louisville lead to 69-67.
Louisville's Clifford Rozier

missed a jumper as the 45-second clock ran out, but Greg Minor Morton hit two free throws with 23

57: In Landover, Maryland, Othella Harrington had 23 points and 12 rebounds, leading No. 14 Georgetown, 2-0, over Southern University of New Orleans, 3-2.

The Hoyas went to Harrington early and often, as the 6-foot-10 (2.1-meter) freshman was matched against a freshman defender four inches shorter. Harrington scored Georgetown's first seven points, and had 16 by halftime. Reginald Young led Southern

ith 15 points. Oklahoma 115, Towson State 73: In Norman, Oklahoma, Jeff Webster scored 25 points and Angelo Hamilton added 20 the No. 15 Sooners, 2-0, routed Towson State. Webster and Hamilton each scored six points in a 16-0 first-half run that gave the Sooners a 27-8

Compiled by Our Staff From Dispatches

The rankings went out the window when the No. 1 and 2 of colege basketball met the third- and ourth-ranked teams.

In Durham, North Carolina, No.

The rankings went out the window when the No. 1 and 2 of colege basketball met the third- and ourth-ranked teams.

In Durham, North Carolina, No.

This research is been count.

The rankings went out the window when the window wh ins, 4-1. DeWayne Lewis led all a game-high 13 rebounds for the

Syracuse 94, Virginia Common-wealth 81: In Syracuse, New York, Hawkeyes countered with a 7-2 run, capped by Earl's two free throws following a basket by James Winters and Jim Bartels' 3-point half and the Orangemen, 3-0, held off a second-half rally by Virginia Commonwealth, 2-1. Syracuse sank 11 of 12 free throws in the

final 1:29 to seal the victory.

Massachusetts 78, Central Counecticut 52: In Amberst, Massachusetts, Harper Williams had 18 points as No. 19 Massachusetts, 1-1, downed Central Connecticut, 1-1.

Lou Rowe scored 11 of Massachusetts' first 13 points and the Minutemen led, 40-22, at halfti But Rowe, who finished with points, sat out most of the second

half after picking up his fourth foul in the first 90 seconds of play. Tulane 103, Southern Methodist grabbed the offensive rebound. The Spartans had to foul, and Dwayne scored 11 of his 19 points in overscored 11 of his 19 points in overtime and No. 20 Tulane outscored seconds left. Respert answered with a jumper, but Keith LeGree beat od. Tulane, 3-1, saw SMU, 1-1, go on an 11-3 spurt in the final three minutes of regulation to force the covering.

The leading Manifest Children. NO on an 11-3 spurt in the final three minutes of regulation to force the

UNLV 84, Loyola-Maryn 80: In Los Angeles, Rollie Massi-mino's debut as UNLV coach was a success as J.R. Rider scored 20 of his 29 points in the second half to lead. the 23d-ranked Runnin' Rebels, 1-0, past Loyola, 1-1, Rider made two-critical free throws with 28 seconds-remaining to give the Rebels a 82-78 lead, and Ken Gibson hit another

two free throws with 16 seconds left for the final margin. Purdue 88, East Tennessee State-74: In West Lafayette, Indiana, Glenn Robinson scored 25 points and Cuonzo Martin added 21 as-No. 24 Purdue, 3-0, led from the early going against East Tennessee State, 2-1.

Connecticut 81, North Carolina State 74: In Raleigh, North Carolina, Scott Burrell scored 20 of hiscareer-high 28 points in the first half and the No. 25 Huskies, 1-1, held off a second-half rally by the Wolfpack, 1-2. (AP, UPI);

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Dec. 4. (Continued)

SPÖRTS SKIING

Catching a Mental Edge, Tomba Is Surprised by a Swede

By Christopher Clarey New York Times Service

VAL D'ISERE, France - The finish line at "Sunday's World Cup slalom was awash with tricolor flags: green, white and red for Italy's most famous export. Alberto Tomba; blue, white and red for local hero Patrice Bianchi. But when the second run concluded, and the

winner climbed the podium to claim his check, only two colors were still flapping in the light Savoy breeze: the blue and yellow of Sweden. For the second straight week, the sialom had

produced a surprise. Last Sunday, in the season opener at Sestriere, it was little-known Italian Fabrizio Tescari who upstaged his charismatic countryman. This Sunday, it was little-known Tomas Fordoe's turn to wreak havoc oo the

"I would oot have dreamed this," said Fog-doe, B 22-year-old from the oorthern Swedish city of Gallivara. "I was hoping to finish between five and 10."

Tomba, as usual, was hoping to finish first,

but he could no better than seventh, completing two runs in a combined 1:35.70, nearly a second slower than Fogdoe's winning 1:34,76 and more than a half-second slower than Thomas Sykora and Hubert Strolz, both of Austria, who placed second and third.

"This is not possible," said Tomba, as he was engulfed by the customary horde of inquiring Italians. Third or fourth, maybe. But seventh, not possible."

In nine World Cup slaloms last season, Tomba won six times and never finished lower than third. He also won a gold medal in the giant slalom and a silver in the slalom at February's Winter Olympics. The gold, which was the third of his memorable career, came on this very same slope.

But la dolce vita does not necessarily lead a skier to champagne on the victory stand, even a lovable Italian. The large torch that housed Val d'Isère's share of the Olympic flame is now covered with snow, and Tomba is struggling, at least by his lofty standards. Although he placed

twice the next day and failed to finish the mons would be banned from future races. second run of the slalom.

Sunday, he was fourth after the first run and lost more ground in the second after barely surviving the fifth gate. Tomba blamed his performance on the course -- "too much snow between the gates" - and on himself - "I made the wrong choice to start No. 1 for the first run because conditions were better later" - and then on a British television cameraman. Stuart Fitzsimmons, who, Tomba said, was

following him too closely, "It's impossible to race like this," Tomba shouted as he crossed the finish line. "He made me lose all my concentration."

[World Cup organizers said Fitzsimmons, a former member of the British World Cup downhill team, had broken competition rules by following Tomba down part of the course, Reuters reported.

[Officials said no one had been authorized to

second in the giant slalom at Sestriere, he fell follow skiers down the course, and that Fitzsim- to better his time. After the first 10 failed, it was

The Italian team did not file a protest, however. "Basically, the only thing that Alberto needs is to take away is all this tension and preoccupation he has on himself," said Helmut Schmalzl, the team's technical director. "His problems right now are much more mental than technical, but we also have to consider that last season he was out of this world. You can't expect that all the time."

Fogdoe, a slalom specialist, also has felt the burden of high expectations. After winning the last slalom race of the 1990-91 World Cup season, in Waterville Valley, New Hampshire, he was billed as a rising star. But he could do no better than fifth in any race last season.

"I wasn't myself in run one. I was too nervous," said Fogdoe, who was only 12th after Sunday's first run. "But in the second, I was less nervous, and I skied as I used to ski."

Fogdoe did have time to get nervous once he reached the bottom. Eleven skiers had a chance left to Bianchi, the Val d'Isère native who had been brilliant in recording the fastest first run. With his fellow Savoyards roaring, Bianchi effortlessly handled the top of the course and was a half-second ahead of Fogdoe's pace at the

ski around a gate and went sprawling. "This is very difficult for me," Bianchi said as the lone Swedish flag waved. "It was a race in

midway point, But, suddenly, the roar gave way

to a collective groan as Bianchi hooked his left

my home, in my back yard."

■ Thorsen Wins Super-G

Jan Einar Thorsen of Norway mastered a tricky super-G course with a 2,027-foot (618meter) descent on Saturday for his first World Cup victory, The Associated Press reported from Val d'Isère.

Thorsen went down the 1.5-mile track in 1 minute, 16.03 seconds. Switzerland's Franz Heinzer was second in 1:16.40, with lialy's Luigi Colturi third in 1:16.41.

Wachter Wins Women's Race

The Associated Press

STEAMBOAT SPRINGS, Colorado -Anita Wachter of Austria capitalized on a fall hy first-run leader Permilla Wiberg of Sweden to win a women's World Cup giant slalom-on Saturday by six-tenths of a second over surprising Sabina Panzanini of Italy.

Deborah Compagnooi of Italy, who tore knee ligaments at the Olympics, was third.

Of Wachter's 34 top-three finishes on the World Cup circuit, 12 have come in the United States, and two of her five victories.

She nearly lost control halfway through her first run, but recovered to trail Wiberg by only 18 seconds, then Wiberg hooked a gate and fell just seconds into her second run.

Swiss ace Vreni Schneider, who was 1.31 seconds off the pace after the first run, fell just seconds into her second run. First-run casual-ties included American Julie Parisien and France's Carole Merle.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

WESTERN CONFERENCE .571 .467 .400 .304

GB

Soit Antonio 23 24 26 21 7—163 1—104
- Wew Jersey 22 15 22 26 12—104
- Corr 7-17 7-8 21, D. Robinson 6-17 7-6 23, Doniels 10-16-0-21; Morris 14-25-44-32, Petrotor 13-23 3-3 34, Anderson 13-23 5-5 31, Rebounds—Soin Antonia 53 [D. Robinson 13),
New Jersey of (Bowle 10), Assigns—Soin Anto-

nlo 27 (Del Resto 11), New Jonaton 201 171. Dehroit 27 24 24 25—101 Philadelphia 21 32 28 36— 99 Dumors 7-10 10-12 25, Thomas 9-29 3-3 21 Hawkins 5-16 4-5 14, Gilliam 4-6 11-13 19, Re-

beends—Defroit 63 (Rodmon 23), Philodelphia 54 (Shockfeford 13), Assists—Defroit 27 (Thomas 9), Philodelphia 22 (Harnacek 5), "Africate 27 22 24 17—106 19diana 30 25 21 25—122 Willis 6-12 6-5 18, Ausmon 16-17 7-6 27). Schrompf 9-15 3-3 21, Miller 10-17 6-7 26. Reflected 3-4 (Williams 9), Assists—Afranta 21 (Blaylock, Willey 41, Indiana 9) (Williams 9), Assists—Afranta 21 (Blaylock, Willey 41, Indiana 9) (Schrompf 6).

(Willioms 9). Assists—Affanta 21 (Blaylock, Wiley 4), Indiana 29 (Schremari 6).

Porticad 23 24 32 39— 99
Chicago 21 24 38 34—771
Pippen 17-10 4-5 29, Jordon 15-23 7-9 38. Rebounds—Perliand 41 IB.Williams 81, Chicago 37 (Jordon 12). Assists—Perliand 18 (6) ricklond 7). Chicago 28 (Plesen 7).

Golden State 32 29 29 24—118 Denver 81 30 21 34—116

21 Mullin 14-25 4-7 34, Hordoway 3-15 2-4 22;

Desirer 91 30 21 34—116

* Avuilin 14:25 6-7 34, Hondoway 8-15 2-4 22;
EHIS 6-12 4-4 22, Autombo 7-10 12-13 26, Pack 615 9-10 21. Rebounds—Golden State 50 (Alexfonder 91, Denver 45 (EHIz I (1, Assists—Goldway 10), Denver 19 (Pack 5-8 17, Banjamin 4-9 6-9 18, Rebounds—Minne-soto 42 | Loetiner 9), Scottie 59 (Benjamin 10).

LA Lakers 22 36 25 25 97
Phoenix 22 32 23 36-107
Perkins 10-105-425, Smith 5-10 2-2 12; Bark-Perkins 10-105-a.z., similifario e e las sautes (ey 7-12 46 17, Miller 5-6 6-6 16, Rebounds—Los Angales 42 (Olvoc 7), Phoenix 54 | Burkley 9), Assists—Los Angales 22 (Divoc 8), Phoenix 23

(F. Johnson 5).

Charlotte 21 21 88 32—132
Secremente 28 32 22 22—11
Johnson 11-19 5-8 27, Mourning 7-11 8-12 22,
Gill 7-12 9-10 24; Richmond 7-12 12-14 27, Williams 7-16 2-2 17, Rabouads—Charlotte 51
(Mourning 7). Socramento 64 (Williams,
Couswell 101, Assists—Charlotte 22 (Bogues 9), Socramento 25 (Richmond 81).

SATURDAY'S RESULTS Milwaykee 22 87 32 24— 98 New York 32 27 31 29—111 Avent 5-124-4 14, Day 9-14 1-319; Smith 7-129-Avent 5-124-14, Doy 9-141-3 Ty: Smith 7-129-9 23. Ewins 9-17 3-2 20. Moson 10-12 5-6 25. Rebounds—Milwoukes 42 Tobberts 7L. New York 51 (Ookley, Moson 10), Assists—Milwoukee 29 (Moyberty 91, New York 33 (Anthony 33 32 32 24-111 26 36 26 17-109

Smits 9-22 2-2 20, Miller 4-17 11-11 25; Guo Solita 9-22 24, August 9-7 11-12, Google Solita 8-21 2-2 19, Adams 8-12-725. Rebounds— Indiana 54 (Smits (1), Washington 51 (Gug-llatte 12). Assists—Indiana 23 (Schrempt 7), Washington 20 (Smits 1), Vision 11-12, Conference 20 (Smits 1), Vision 11-12,

18-27 5-5 44 Willis 15-20-3-134. Rebounds—Son Antonia 45 (Corr 111, Atlanta 58 [Willis 19), Assista—Son Antonio 33 (Del Negro 8), Atlan-Assists—Son Antonio 23 (Del Negro 8), Atlanta 30 (Blaylock (7), Perflond 38 19 21 24—46 Cevetant 27 25 26 28—94 Porter 6-12 5-7 18, Robinson 6-19 1-12 24) Nonce 10-19 0-0 20, Doussherty 7-13 5-7 19, Rebendis—Portland 33 (B.Willioms 12), Cleveland 44 (Daugherty 131, Assists—Portland 19 (Strickland 9), Cleveland 23 (Doussherty 91, Philipdelephia 22 24 18 22—88 Detroit 23 25 27 25—312

Gilliam 6-14 1-2 17, Dawkins 6-12 1-2 13, Hor-Ghiam 6/4 1-2 (f) Dawkins 6-12 1-2 1-3 tree-nock 4-13 4-5 (3) Durners 10-19-2-23, Thomas 9-14 6-8 (25, Rebounds—Philodelphila 57 (Gil-liam 11), Detroit 61 [Rodman 20], Assista-Philodelphila 23 (Dawkins 7), Detroit 24

Longley 5-7 4-4 14, West 0-12 2-5 10; Kemp 4-7

Assists—Minn (Borres 01. Charlotte L.A. Clippers

LA. Citippers 27 26 34 32—117
Johnson 9-17 12-15 28. Gill 7-19 4-1 19. Normon 11-22 5-4 27. Monning 7-16 6-7 29. Happer 16-27 2-3 36. Rebiumds—Charlotte 59 (Johnson 12). Las Angeles 42 I Vought 11). Assists—Charlotte 20 (Begues 7). Las Angeles 28 1M. Jackson 101.

Oriende 25 32 19 28—104
Golden State 28 41 26 26—119
Scottle-223-271, Anderson 11-241-132; Musillo 14-243-431, Owens 7-10 2-2 16, Hardwary 4-20810 16. Rebounds—Oriendo 62 (O'Neat 17). 10 16. Rebounds—Ortondo 62 (O'Neol 17), Golden State 60 (Hill 12), Assists—Ortondo 20

Major College Scores

Boston College % Hast y Boston College % Havord 57 Columbia 83, Boston U. 80 Cornell 70, St. Francis, Po. 61 Georgetown % Southern, NO 57 Holy Cross % Stend 95, O7 Moise 97, N. Arizona 56 Mossochusetts 78, Cent. 64 Md. Bottle achusetts 71, Cent. Connecticut St. 52 Penn St, 60. Mount St, Mary's, Md, 55 Pittsburgh 95. (Aarsholl 8) Providence 56. New Hampshire 27 Robert Morris 72, Ohio U. 70 Rutgers \$2, Loyola, Md. 50

St. Bonaventure 25, Contalus 67
St. Francis, NY 62, Yole 61
St. John's 75, Niopara 7)
Villanova 86, American U. 74
West Virolnio 86, Maryland 72
SOUTH
Alabama St. 83, Florida ASA 65
Appolacition St. 99, Montena St. 7.
Austin Peary 94, Christian Brotheri
Compbell 72, N.C.-Greensbora 54
Cant. Florida 99, Whithrop 91
Clemson 89, Howard U. 70
Coastal Carallen 112, Bryon 88
Connecticus 81, N. Carallen St. 74 Connecticut RI. N. Corollon St. 74

Connecticut 81, N. Corollans 51, Davidson 82, Tenn, Tennole 56 Ouke 79, Michigan 68 E. Kentucky 79, Thomas Moro Georgio 194, Georgia Coll, 66 James Madason 89, Auburn 80 Kenfucky 96, Georgia Tech 87 LSU 82, Mercer 46 McNesse St. 100, Ark.-Monticus Mississipol 71, Oakland, Mich. Old Dominion 78, long 65 Richmond 77, Bethany.W Richmond 77, VMI 43

Chicago

McDaniel 16-17 2-3 72. McHole 7-12 3-4 17.

Grunt 6-11 0-2 12. Cartwright 3-4 6-6 12. Armstrons 4-10 3-3 12. Jordon 6-20 2-4. Rasbounds—Boston 52 (Fortsh 10), Chicago 53 (Grunt 10), Assists—Baston 22 (Brown 14), Chicago 53 (Grunt 10), Assists—Baston 22 (Brown 14), Chicago 55 (Fiscen 11), 10 and 12 10-12 25; Horner 9-15 5-6 22, Juzzolino 4-9 0-0 14. Rasbounds—Houston 54 (Thorpe B), Doiles 47 (Thorpe B-1005ton 10) Chicago 55 (Fiscen 11), Doiles 70 (Thorpe B-1005ton 10) Chicago 70 (Thorpe B-12 10-12 25) Chicago 70 (Thorpe B-12 25) Chicago 70 (Th

Rhode Island 68, E. Michigan so Utah 63, Brudley 49 Vanderbill 75, Dayton 53

Wichita \$1, 63, Ma,-Kansas City 56 Wisconsin 79, Wis-Green Bay 60 Wright St. 112, Wilmington, Ohio 53 COUTHWEST

OOUTHWEST
Lamar 94, Union, Tenn, 75
Missouri 81, Texas A&M 55
Oklahama 115, Towson St. 73
Texas Southern 104, Texas-San An
FAR WEST
Oreson 51, 69, Seathle Pacific 62
Pacific U. 30, Oreson 58
Peoperatine 89, Sonoma St. 64
Peritand 89, Seathle 87
UCLA 69, Santha Clara 68
UNLV 84, Loyola Maryymount 80

TOURNAMENTS Nebroska 85. Kent 61 Colorte 74, Idoho 54 68

Weber St. 61, E. Illinois 51

First Benk Classic

Third Place Cent. Michigan 84, Stelson 83

Howk Classic KYLT Classic Third Place Sucknell 88, North Texas 64

North Carolina 104, Taxas 68

Princeton 5% South Corolling 40 HOCKEY

NHL Standings

WALES CONFERENCE

CAMPBELL CONFERENCE North Division

The Division

19 7 2 40 130 97

15 9 2 33 109 92

15 9 2 33 114 32

9 14 4 22 76 112

0 14 3 19 M 100

5 31 1 11 74 132 FRIDAY'S RESULTS N.Y. Islanders Buffelo 1 1 3 6—5 Dalgama (2), Thomas (10), Ferrara (6). Turgeon (16), King (131) Audette (2), Andrey-chuk (20), Presiev (6), Mogliny (17), LaFon-igine (19), Shots en soot—N.Y. Islanders (on

SOCCER

coventry 2, joswich 2 Coventry 2, joswich 2 Crystol Polece 2, Streffield United 0 Leets 1, Nottingham Forest 4 Middlesbraugh ENGLISH PREMIER LEAGUE

FRENCH FIRST DIVISION Toulon 1, Nimes 0

SATURDAY'S RESULTS

SATURDAY'S RESULTS
Boston 1 2 1—4
Now Jersey 1 0 1—2
Pontoleyev (1), Show (3), Oates (13), Pontoleyev (2); Driver (2), Semok (61, Saets on
soci—Boston (on Terreri) 744-11—32, New
Jersey (on Moop) 3-7-7—17,
Pathburgh 2 2 4—9
San Jose 0 2 3—4
Needhant (5), Mullen (7), Stanton (2), Murhyy (61 2, Francis (9) 2, Joor (11), Lennieux
(311; Gaudreau (41, Garpeniov (6) 2, Kinia (6),
Shots on soci—Pittisburgh (on Hayward) 1313-11—37, Son Jose (on Barrosso) 12-26-11—43.

Minnesold Quebec

Ducheme [11], Gogner (7) 2. Donlen (9),

EUK (7), Courtnell (10), Broten (7); Kovalento (11), Sunda (21) 2. Shots an spot-Minnesold lon Hexbell 7-6-22. Quebec lon Cosey) 5-7-11-21.

Washinston 2 1 2-5

1 1 1-3

Minnesold (11), Gogner (7) 2. Donlen (9),

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Washington 2 1 3—5
N.Y., Islanders 1 1 1—3
Intrate (\$) 2, Miller [4], Ridley [11] 2) Libteile (4], Deteomo (2), Kine (14), Shots es
gool—Washington (on Fitzportrick) 14710—22, New York (on Hrivnohl 8-7-9-24,
Detroit 9 1 5—7
Burr (5), Shespard (*), Yzermon (22) 2, Ciccarelli (12), Druke (7), Yzermon (23) 2, Ciccarelli (13), Druke (7), Yzermon (23) 2, Ciccarelli (13), Druke (7), Yzermon (23) 2, Ciccarelli (13), Ciccarelli (13), Ciccarelli (13), Ciccarelli (13), Ciccarelli (14), Saborno (15), Saborno (15),

Millian 13, Juventus of Turka 14, Florentino 14, Torino 14, Cogliari 14, Samedoria af Genoa 13, Atalonia af Bergomo 13, Luzio af Rome 12, Parmo 12, AS Roma 11, Brescia 11, Genoa 11, Udinese 18, Foggla 18, Nopoli 8, Ancono 8, Pescura 5,

SPANISH FIRST OIVIS(ON Rayo Vellecano 2, Real Madria 0 Sevillo 0, Ososuna 0 Celta 2, Real Sociedad 1 Oviedo 1, Tenerife 2 Cadiz 0, Barcelona 4 Ron Sutter (2), Hull (15), Shanchan (13) 2; Miller (10); Metlanby (7), Shots an soci—Si. Louis (on Ronford) 10-12-4—26. Edmonton (on Joseph) 13-7-25.
Heartford 0 1 2-3
Lis Angeles 4 1 3-7
Kypreet (6), Cunneyworth (3), Croven (14);
Zhithik (3), Hiller (5), Huddy (11, Miller (16),
Bloke (4) 2, Looch (41, Shots on seel-Horland (on Stauber) 8-13-21-42, Liss Angeles (on

WORLD CUP QUALIFIER

FOOTBALL Major College Scores

Crystal Palace 2, Sheffield United 8
Leeds 1, Natificipum Forest 4,
Alddiestrough 2, Slockhurn 2
Norwich 2, Wimbleston 1
Queens Park Ronsers 2, Okitham 2
Sheffield Wednesday 1, Aston Villa 2Southambon 2, Arsend 9
Tottenham 1, Chetsea 2
Slassidies: Norwich 39, Blockburn 31, Aston Villa 21, Chetsea 31, Manchester United 36, Queens Park Ronsers 29, Arsend 29, Ipswich 26, Ulverpool 25, Manchester City 25, Coventry 25, Middiestraush 24, Southambina 22, Tottenham 20, Leeds 21, Sheffield Wednesday 20, Okitham 16, Sheffield United 18, Everion 16, Wimbledon 15, Grystal Polace 15, Nottinoham Porest 14. Alaboring 25, Florida 21 Celaware 41, NE Louislana 1 Marshall 35, Middle Tenn. 21 Youngstown St. 42, Citadel 17

N. lowa 29, McNeese St. 7 PAR WEST Party-SG S, Bardeoux 0
Volanciemes 1, Nontes 1
Strasbourg & Sochoux 1
Montpellier 2, Le Hovre 0
Cone & Soint-Etinane 0
Lilla vs Morsellia, ppd. unployable field
Standines; Paris S, Germain 42, Nontes 24,
Mortace 22, Austerra 22, Norsellia 21, Bordeoux 20, Strasbourg 19, Soint-Etilenne 18,
Montpellier 18, Sochoux 17, Lynn 4, Cone 15, CRICKET

WORLD SERIES CUP (Limited-overs match) Austrolia vs. West Indies SECONO TEST

TRANSACTIONS

MILWAUKEE—Agreed to one-year con-froct with Jesse Orosco, pifcher. MINNESOTA—Agreed to five-year con-fract with Kirby Puckett, auffielder, NEW YORK-Agreed to three-year con-

MINNESOTA-Traded David West, plich-

BASKETBALL

Results Sunday from Vol D'Isera, France; 1, Tomos Foodoe, Sweden, 1:3476 149,64 45,721; 2, Thomos Svhora, Austria, 1:359 18,77-46,321; 3, Hubert Strole, Austria, 1:35,13 148,16-46,771; 4, Armin Bittner, Germany, 1:35,19 (48,24-49,95); 5, Other Kuenci, Switzer, 1:35,19 (48,24-49,95); 5, Other Kuenci, Switzer, land, 1:35.40 149.09-46.311,

lond. 1:35.40 149.09-46.311.
a. Sigtried Vogineller, Austria, 1:35.56 149.17.
d.6.412; 7. Alberts Tombo. Holy, 1:35.70 148.41.
48.23); 8. Dietmor Thoeni. Austria. 1:35.81
148.91-46.901; 9. Corlie Geröse. Holy. 1:36.06
(47.02-47.40); 18. Sermord Getrein, Austria.
1:36.17 (48.54-47.631.
11. Potrick Stoub. Switzerland. 1:36.23 149.37.
46.36); 12. Film Christian Jagae. Norvey.
1:36.47 (48.81-47.66); 13. Poul Accola, Switzerland. 1:37.71 (47.34-47.83.1); 14. Guenther Moder.
Austria. 1:37.46 149.444.8292; 15. Jure Koylf.

Austria, 1:37.46 149 44-48.02): 15. June Kosli

Austria, 1;37.6 147 44-48.07; 15, June Kesin. Stevenic. (;37.57 (ed.89-47.71). Stellom standings (effect two races); 1. Stroiz, 129; 2. Bittiner, 110; 3. Sykora, 100; 4. Tescari, 160; 5. Fopdom, 100; 4. Michael Tritscher, Germany, 80; 7, Kueraj, 60; 8. Vogineller, 23; 9. Hiel Thoeni, 48, and Gstrein, 48.

Pacsitie Schooling from Vol Ollago, in the

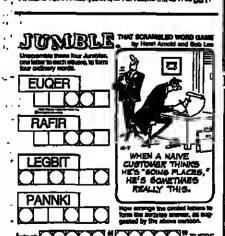
SUPER-G
Results Saturday from Val O'Isere in the
first Seper-G race of the season; 1, Jan Ethar
Thorsen, Norwwor, 1:16.03; 2, Franz Helazer,
Switzerland, 1:16.49; 3, Luter Colturi, Itoly,
1:16.41; 4, Alie Skoordal, Norway, 1:16.45; 5,
Patrick O'flieb, Austria, (116.47,
6, Josef Polla, Itoly, 1:16.76; 7, Alberto Senipacilles], Itoly, (1:16.87; 8, Didrith Marksten,
Norway, 1:16.90; 9, Guenther Moder, Austria,
1:16.94; 10, Thierry Gentlino, Franço, 1:17.00;
(fiel Honsteory Touscher, Germany, 1:17.00,
Overall World Cup standings (after feer
ruces); 1, Hubert Stroiz, Austria, 120 points; 2
Alberto Tombol Ikaly, 116; 3, Klenit-Audre Aomodt, Narvesy, 111; 4, Arrain Bitiner, Germomy, 110; 5, Thames Sykora, Austria, 109,
6, Fabrizia Tescari, Ikaly, 106; 7, (fiel Tomas & Pabrizia Tescari, Ilaly, 106: 7, (fie | Tomas Foodoe, Sweden, 1001 and Jon Elston Thorsen, Norway, 180; 9, Didrik Marksten, Morway, 57; 10 (fiel Michael Tritscher, Austria, 80; and To the Michael Trischer, Austria, auf ma Fronz Heinzer, Switzerland, 80. 12 Steve Locher, Switzerland, 66: 13, Poul Accole, Switzerland, 64; 14, Siefried Vool-relter, Austria, 64) 15. ((lef Qilver Kenzil. Switzerland, 60; Johan Waltner, Sweden, 60: and Luigi Catturi, Italy, 60.

DIANT SLALOM Resolts Saturday from Steamboot Springs.
Colorade: 1, Anila Wochler, Austria: 2 minutes. Al seconds; 2, Sabina Pagamini, Italy.
2:01.21; 2, Deborch Compagnoni, Italy.
2:01.23; 4, Sylvia Eder, Austria. 2:02.27; 5.
Kristing Andersson, Sweden, 2:02.26; 7. Diom.
Roffe-Steinrotter, U.S., 2:02.46; 0, Ulrike
Maler, Austria. 2:02.46; 9, Bibliono Perez, IlaIvy.:02.68; 10, Miriam Vogt, Germany.3:02.84,
Giant-Statem Standings (offer two roces): 1,
Anila Wochler, Austria, 145; 2, Ulrike Maler,
Austria, 129; 3, Carpel Marie, Scarce, 80; (Mar

Anifo Wochter, Austria, 145; 2, Ulrike Moler, Austria, 122; 3, Corole Merie, France, 80; (fiel Sablau Pomzasini, Itoly, 80; 5, Merete Fizi-dovil, Norewy, 64. 6. Sylvia Eder, Austria, 63; 7, Vreal Schweider, Switzerland, 60; Itlei Deborot Campounoni, 10(y, 60; 7) Oltan Roife-Stein-rotter, U.S. 51; 18, Permitte Wibers, Sweden, 59; (fiel Mortina Erit, Germany, 50. Oversett World Can Standburg, other, West. Overall World Cop Standings (after three Ulriko Moior, Austrio, 132: 3. De den, 130: 4. Julia Paristen, Auburn, Maine.



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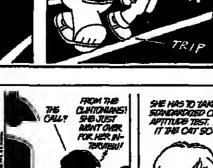






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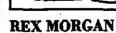












WIZARD of ID







SPORTS TENNIS

A Struggling Courier Brings Davis Cup Back to U.S.



Pete Sampras and John McEnroe embraced after clawing back from a two-set deficit.

FORT WORTH, Texas - Jim Courier rebounded from a slow start to beat Switzerland's Jakob Hlasek on Sonday, and the United States

recaptured the Davis Cup.

Courier played just well enough to win against a fatigued Hlasek, who fought gamely before fading, 6-3, 3-6, 6-3, 6-4.

The victory gave the United States an insur-mountable 3-1 lead in the best-of-5 series and

its 30th Davis Cup title.

It was only the third victory in eight Davis Cup matches for Courier, the first American since John McEnroe in 1984 to finish the year as the No. 1 player in the world. He had been upset Friday night by Marc Rosset and had taken extra practice Saturday night after McEnroe and Pete Sampras won the doubles for a 2-1 U.S. lead.

Hlasek dominated the second set by attacking the net and keeping pressure on Courier. But Hlasek was deflated after squandering four game points in the eighth game of the third set before being broken. Courier then won his serve at love to clinch the set.

After a 10-minute intermission, both players held serve until the seventh game of the fourth set when Hlasek blew an easy overhead wide on game point. Courier won the next two points to convert the break and take a 4-3 lead.

and ninth games, Courier watched Hlasek's forehand return of serve float long on match point, and his teammates rushed onto the court and boisted him onto their shoulders.

■ The McEnroe-Sampras Comeback Robin Finn of The New York Times reported Saturday from Fort Worth:

With a match-ending ace from the maestro, and with a match-ending embrace between two players who embody the Davis Cup's past, present and future for the United States, McEnroe and Sampras clawed their way back from a two-set deficit to defeat Rosset and Hlasek in five sets.

"It took a very strong mental effort," Sampras said of the 6-7 (7-5), 6-7 (9-7), 7-5, 6-1, 6-2 victory, "but probably the two best sets of tennis I ever played in doubles were the last two."

McEnroe waited only until the fourth game

of the match, where the United States just happened to break back and square the proceedings at 2-2, to engage the server Hlasek, who just happens to be a former doubles partner, in a verbal sparring match that set a con-frontational tone for the duration.

Up in the arena stands, there was another kind of clash: a culture clash as Tyrolia squared off against Texas. Because Davis Cup is the one

After both players beld serve in the eighth occasion where the otherwise decorous game of tennis welcomes noise, this was a gallery that produced a clamor of hootenany proportions. Ten-gallon hats met lederhosen. The clang of

Swiss cowbells, some of them the size of small calves, met the hoarse honk of builhorns bornowed from the high school football field. Everybody waved flags and, when the Swiss supporters sang "Allez, allez," the backers of the home team chanted "USA, USA." This was precisely the kind of antic atmosphere McEnroe finds inspiring, but for the first two grueling sets, it seemed to do the same for Rosset and Hlasek.

The Swiss duo, whose ever-improving part-nership has made them the world's 10th-ranked team and the defending French Open doubles champions, had precision and symmetry on their side. Rosset served big, and Hlasek volleyed with case.

McEnroe in particular had ample reason to regret the hlunders he made at critical stages late in the first two sets: he double-laulted at set point of the first set's tie breaker and then dropped his serve again as he served for the

The ric breakers left McEnroe furious with himself. It wasn't until the routine 10-minute break following the third set, which the U.S. duo squeaked through by finally converting a break point on Rosset's serve, that McEnroe

successfully rerouted his self-denigration and began to manhandle the Swiss.

Mac in the locker room was just ranting and raving," observed Sampras,

By the final set, be was pure menace, flipping tennis balls around the court like so many flapjacks, and his mind and body language proved contagious: Sampras, McEnroe's able understudy, turned ferocious, too, and together they tamed the Swiss.

They solved Rosset's mighty serve in the fifth game, where two whiplash forehand cross-courts from McEnroe sealed the 3-2 break, and then they went up by 5-2 when Hlasek served up double faults at break and game point. That gave McEnroe the chance to serve for the match, one that possibly could be his Davis Cup swan song. And the serve that was such a misadventure in the opening two sets behaved itself at last.

On Friday night, the 36th-ranked Rosset had upset Courier. They battled for nearly four hours just to reach the fifth and decisive set. Once there, Rosset surged ahead by two breaks, wavered, and finally held on for a 6-3,

6-7 (7-9), 3-6, 6-4, 6-4 triumph.

Courier's surprising defeat nullified the oneupsmanship earlier shown by Andre Agassi as he got the United States off to a good start hy pulverizing Hlasek in straight sets, 6-1, 6-2, 6-2

Sugar Bowl Will Pit Miami and Alabama For Championship

The national ebampionship showdown between top-ranked Miami and No. 2 Alabama became reality Sunday when the college bowl coalition placed the Hurricanes in the Sugar Bowl against the

The coalition, meeting at Atlanta, used Sunday's final regular-sea-son Associated Press poli to determine selections for the top bowls. Orange Bowl-bound Florida State apparently lost any chance to play Miami because it picked up only eight points on Alabama in the poll, leaving the third-ranked Semi-noles 54 behind the Tide,

Alabama best Florida, 28-21, Saturday to win the Southeastern Conference berth in the Sugar Bowl a week after Florida State

pounded the Gators, 45-24.

Miami linebacker Jesie Armstead said: "We were hoping Alabama would come through for us. Florida State doesn't deserve another shot at the national championship because we beat them earlier." Miami got by Florida State, 19-16, in the fourth week of the

Tidal Wave Of Defense

BIRMINGHAM, Alabama Alabama's defense had gotten it into the first Southeastern Confercace championship game, and it was the defense that pulled the Crimson Tide through to victory. Antonio Langham scored on a 27-yard interception return with 3:16 left in Saturday's game, and

Michael Rogers picked off another pass 22 seconds later to clinch Alabama's 28-21 victory over Florida. The Tide finished the regular season at 12-0. The Gators fell to 8-4.

Alabama appeared to be in control after taking a 21-7 lead on Derrick Lassie's 15-yard touchdown run with 5:14 left in the third quarter. But Florida rallied to tie on Shane Matthews's 4-yard scoring pass to Willie Jackson near the end of the quarter and a 1-yard TD run by Errict Rhett with 8:09 re-

maining in the game.

Langham, whose 61-yard interception return broke a 0-0 tie against Anburn on Thanksgiving, came up with another huge play. The junior cornerback stepped in front of receiver Monty Duncan near the sideline, intercepted Mat-thews' pass and weaved his way into the end zone to put Alabama

When Florida got the ball back, Matthews' pass was tipped at the line by Derrick Oden, deflected off am and bounced into Rogers' hands.

The Gators got the ball one more

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football's first 1-2 postseason showdown since No. 2 Miami beat No. 1 Oklahoma, 20-14, in the 1988 Orange Bowl.

Fourth-ranked Texas A&M will meet No. 5 Notre Dame in the Cotton Bowl. That was the only surprise among the selections, be-cause Florida State had been expected to go to Dallas to create a 3-4 matchip, Instead, the Seminoles will meet 11th-ranked Nebraska at Although Texas A&M, 12-0, is

one of only three teams with perfect records, the Aggies have only a stim chance to win the national title. They need to win their bowl and hope for a tie in the Miami The Fiesta Bowl, which had hoped Florida State would bypass

Alabama so it could have the 1-2 matchup, was the biggest loser. No. 6 Syracuse and No. 10 Colorado will be its participants.

The other coalition selections created the following bowl matchops: Gator: No. 12 North Carolina

State vs. No. 14 Florida. Biockbuster: No. 13 Stanford vs. No. 21 Penn State. • John Hancock: No. 22 Arizo-

na vs. Baylor. Earlier matches in noncoalition bowls were not affected. They are: • Rose: No. 7 Michigan vs. No.

 Citrus: No. 8 Georgia vs. No. 15 Ohio State • Hall of Fame: No. 16 Boston College vs. No. 17 Tennessee.

• Copper: No. 18 Washington State vs. Utah.

• Peach: No. 19 North Carolina vs. No. 24 Mississippi State.

• Liberty: No. 20 Mississippi vs.

• Freedom: No. 23 Southern California vs. Fresno State. Aloha: No. 25 Brigham Young vs. Kansas.

Air Force.

• Holiday: Illinois vs. Hawaii. • Independence: Oregon vs. Wake Forest. Las Vegas: Bowling Green vs.

Final AP Top 25 Poll

This season's final retailor states poli, with first-place vales in Perentheses, recerds through Dec. 5, tolat points based on 25 points for a first place vale through age point for a 25th place vale, and reaking in inst week's

	* ACTION	- 12	
1, Migmi (61)	11-0-6	1,547	7
2. Alabama (1)	12-0-0	1,473	2
3. Florido St	10-1-0	1.419	3
4 Texas A&M		1,307	4
5. Noire Dome		1,295	5
6. Syrocuse		1,174	4
7. Michigan		1.147	7
8. Georgia		7,074	
9. Woshington		1.014	10
18. Colorado	9-1-1	1,800	,
11. Nebrosko		974	71
T2. N. Carolina St	7-2-1	540	13
13. Stanford	9-3-0	240	14
14. Fiorido	844	745	12
25. Ohio St	8-2-1	776	75
14. Boston College	8-2-L	595	16
17. Tennessee		518	17
TS. Woshington St		434	18
19. North Carolina	1.3-0	409	20
20. Mississippi	8-3-0	400	19
21. Penn St		272	21
22. Arizono		227	22
Zt. Southern Col		274	23
24. Mississippi St		177	24
Ar Wigging Ar	7-4-0	-	£



SHOWING TOKYO HOW - Quarterback Matt Garber, running eight yards for a touchdown in the fourth quarter, kept Kansas State in the game, but No. 11 Nebraska was too much for the Wildcats and won, 38-24, on Sunday in the Tokyo Dome. The victory, in the year's only NCAA football game played outside the United States, clinched an Orange Bowl berth for the 9-2 Cornhasters.

SIDELINES

Japanese Sweep Nordic Combined

VUOKATII, Finland (AP) — Kenji Ogiwara and Takanori Kono of Japan finished 1-2 in the Nordic Combined World Cup opener Sunday. Ogiwara, who had won the normal hill ski jumping portion Saturday. started the 15 kilometer (9.25-mile) cross-country ski race one minute and 30 seconds ahead of his countryman and held on to win by 31 seconds.

• Werner Rathmayr of Austria won his second straight World Cup ski jumping competition on the large hill Sunday in Fahrn, Sweden.

Reynolds Gets Backing Against IAAF
LOUISVILLE, Kentucky (Combined Disputches)—The U.S. governing body for track and field on Saturday pledged to oppose any attempt by the International Amateur Athletic Federation to further suspend the runner Butch Reynolds for his legal actions against it.

The resolution supporting Reynolds, the 400-meter world record holder, was voted at the national convention of USA Track & Field, the

new name of The Athletics Congress as of Friday. Reynolds, who has been suspended for two years for testing positive for the banned steroid Nandrolone but maintains his innocence, on

Thursday won an Ohio court judgment for \$27.3 million in damages against the IAAF. On Friday, the IAAF threatened to countersue or take further disci-

plinary action when its council meets Jan. 22-24 in Jakarta. (Reuters, AP)

For the Record

The Pac-10 Conference is investigating whether University of Washington boosters improperly provided quarterback Billy Joe Hobert with a job in high school and financial benefits after he joined the Huskies. (AP) Eric Lindros, the Philadelphia Flyers' rookie, was fingerprinted and photographed Saturday at a police station in Pickering, Ontario, after turning himself in on charges of assaulting a woman in a bar. Lindros's

lawyer said be filed countercharges.

(AP)

Jose Canseco, the Texas Rangers' outfielder, was arrested early Saturday in Chicago and charged with battery after a fight at a upscale France's National Assembly on Saturday rejected an amendment that

would have waived a ban on tobacco advertising to allow television cameras back on France's Fommia One racetrack next season; the president of the national federation, Jean-Marie Balestre, said before the vote that "as the

handral locusation, scale manuscript and prix next year." (AFP)
Tracey Harris Patterson of the United States retained the WBC superbantamweight title Saturday in a double bill in Berck, France, holding
Daniel Zaragoza of Mexico to a draw, and Wilfredo Vasquez kept his WBA super-bantam crown when a deep cut stopped France's Thierry

Frost Hits Golf Jackpot After Price's Ouster

SUN CITY, South Africa — South Africa's David Frost won golf's richest prize Sunday, the Million Dollar Challenge, but the competition was marred by the controversial disqualification of Nick Price, who had been tied for the lead after three rounds. Nick Faldo was also disqualified in a separate incident. Frost took the \$1 million check after shooting a final round 69 for

a 12-under-par total of 276. It was the third time he had won the tournament. John Cook of the United States finished four shots behind to take the second prize of \$300,000. Fred Couples and Ernie Els, another South African, tied for third at 284.

Frost went into the final round virtually assured of victory after Price's disqualification Saturday. The Zimbabwean, who won the U.S. PGA title this year, was scratched after losing his temper at having a two-stroke penalty imposed for moving an advertising billboard.

Price had signed his scorecard, but on learning of the penalty, he pulled it back from Buddy Young, the tournament director, and erased his signature. According to Young, Price then threw the card down, said, "Disqualify me," and stormed away from the scoring table. Young said he had given Price a second chance by seeking advice from the sport's ruling body in Scotland. Young said he rang the Royal and Ancient Club at St. Andrews for a second opinion only to be told

all officials were away at a meeting and could not be contacted. Faldo was disqualified for submitting an incorrect scorecard. It showed the correct total of 72 for Saturday's round, but recorded a

par-4 for the final hole when the correct score was 5. Frost, who played with Price on Saturday, told reporters that his

birdie-birdie start on Sunday had helped him put the disqualification behind him. "The incident was on my mind the whole time from when we finished on Saturday to when we teed off today," he said. "I

was hoping to get off to a decent start."

Brent Chalmers, executive director of the PGA under whose auspices the tournament is played, said of the Price disqualification:
"The sponsors are very concerned, but golf is more important than Sun City and more important than the Million-Dollar."

ESCORTS & GUIDES

Jets Upset Bills, **Dedicating Game** To Injured Byrd

The New York Jets, emotionally charged by the paralyzing injury of defensive end Dennis Byrd, delivered a stunning 24-17 upset blow to the division-leading Buffalo Bills

on Sunday.

The winning touchdown came when Brian Washington stepped in front of Jim Kelly's pass with 1:41 left in the game and returned the interception 23 yards to the end

The Jets players wore Byrd's number 90 on their helmets during the game, played on the Bills field in Orchard Park, New York, Byrd suffered a paralyzing neck injury last week against Kansas City, but a team spokesman said Saturday that he had regained "very early motor function" in some of his low-

The Jets clinched the victory. their first against the Bills since 1987, when Bill Pickel sacked Kelly, forced and recovered a fumble with 1:15 left. Washington then in-

tercepted a long desperation pass.
The Jets, now 4-9, beat Buffalo, 9-4, for the first time in the last 11 rivals. It was Buffalo's second loss

in the division in two weeks. Trailing by seven going into the fourth quarter, Buffalo railied with a 60-yard, six-play drive that ended when Kelly faked a run at the 1 and threw a touchdown pass over the middle to Pete Metzelaars.

Eagles 28, Vikings 17: In Phila-delphia, quarterback Randall Cunningham, the NFL's all-time scrambling leader, virtually ran Minnesota ont of the stadium.

Cunningham carried 16 times for 121 yards and two touchdowns in

his best running game since he gained 124 against New England on Nov. 4, 1990.

Coach Rich Kotite, who earlier tried to keep Cunningham in the pocket, told him this week to run if the pass wasn't there. Cunningham took the coach at his word. He didn't do so badly passing, either, completing 16 of 23 for 164 yards.

The loss prevented the Vikings, 9-4, from chinching the NFC Central title and a playoff spot. The win kept the Eagles, 8-5, in the hunt for a wild-card berth in the NFC East.

Cunningham got belp from Herschel Walker, who gained 44 yards on 13 carries in his first game against Minnesota since the Vikings obliged his request for a re-lease last June.

Packers 38, Lions 10: In Milwaukee, Green Bay scored five first-half touchdowns on a snow-covered field and routed Detroit behind a strong defense and the passing of Brett Favre. Green Bay won four in a row for

the first time in eight years as Favre

downs and Tony Bennett returned a fumble 18 yards for another score. The Packers, 7-6, helped their wildeard playoff possibilities against the Lions, 3-10, who had problems with footing and lost four fumbles on a slippery afternoon at

County Stadium. The Lions' Barry Sanders gained 114 yards on 16 carries to become the fourth back in NFL history to rush for 1,000 yards in each of his first four seasons. He joins Erie Dickerson, Tony Dorsett and Earl Campbell.

Steelers 20, Seahawks 14: In Pittsburgh, Barry Foster finished his 10th 100-yard game of the sea-

NFL ROUNDUP

son with a 4-yard touchdown run with 2:22 to play and Pittsburgh overcame five interceptions and a broken leg for Neil O'Donnell to beat the Scattle.

The Steelers' fourth victory in a row was costly. O'Donnell frac-tured his right fibula while trying to clude a third-quarter sack.

Bubby Brister replaced O'Donnell and was intercepted on two of his first six passes. But he drove Pittsburgh 80 yards on 13 plays in the final quarter for Foster's deci-

Foster carried 33 times for 125

Pittsburgh improved to 10-3 to move to the top of the overall AFC

standings. Scattle is 2-11. Colts 6, Patriots 0: In Foxboro, Massachusetts Dean Biasucci's two field goals in a swirling wind gave Indianapolis the win over New England in front of the small-est crowd in the league this season.

The frigid weather kept more than one-third of the ticket-holders away as only 19,429 people saw the Colts post their first shutout in 69 games and the Patriots extend their scoreless streak to 10 quarters. The Colts, 6-7, managed 265

yards, 209 of them on Jack Trudeau's passes. The Patriots, 2-11, struggled for 94 yards and endured eight sacks against the Colts. Neither team got inside the oth-

er's 10-yard line. Browns 37, Bengals 21: In Cleve-land, Eric Metcall gained 210 allpurpose yards to lead the Browns

Metcalf ran nine times for 53 yards, returned five punts for 75 yards, had a 9-yard kickoff return and caught six passes for 73 yards. Included was a 35-yard touchdown pass from Bernie Kosar that started the Browns' 21-point third quarter, Cleveland, 7-6, which lost 30-10 at Cincinnati last month, beat the Bengals, 4-9, for only the second

time in the last eight meetings.

ESCORTS & GUIDES

left. But Matthews, the SEC's ca- reer passing leader, threw four straight incompletions.	22. Arizono 23. Southern Col 24. Mississippi St. 25. Brigham Young	641 641 740 840	27 22 24 23 17 34 178 25	Rookie golf professional Robert Allenby shot par 72 Sunday for a five- shot victory, at 275, over defending champion Peter Senior in the Johnnie Walker Classic in Melbourne, Australia. (AP)				
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PARIS - With its many movie houses and I major museums also offering film programs, Paris is the most varied city in the world for moviegoers. Over the past four decades local tastemakers have praised neglected American directors and the unspeakable Jerry Lewis, then discovered East European directors, Japanese, Italians, Germans and British although François Truffaut, an influential critic as well as a director, meanly observed that British cinema is a contradiction in

The place to watch right now says Michel Ciment, a leading film critic, scholar and member of

MARY BLUME

the editorial board of the film magazine Positif, is what he calls the Chinese triangle: Hong Kong, China and Taiwan.

"In Hong Kong today, there is no major director like King Hu, but I would say that four of the greatest living directors in the world are in China and Taiwan. In China Chen Kaige and Zhang Yimou, who won the Golden Lion in Venice, and in Taiwan Hou Hsiao-Hsien and Edward Yang."
In other parts of the world, Ciment says, Holly-

wood has been a bulldozer destroying the local industry. "If it doesn't destroy Taiwan it's because they have money but don't spend much on their films, they have a captive audience, and they bave a great film culture from having seen all the American movies. And they have long traditions in painting and literature to feed on, and a very complex political

Positif recently published a long section on Edward Yang, who was born in Shanghai in 1947, moved to Taiwan at the age of 1, and turned to film directing at 32, having spent seven years teaching computer engineering in Seattle. His film, "A Brighter Summer Day," is based on the 1960 murder of a high school student.

"Starting with that little event you get the whole history of Taiwan of the 10 or 20 years before that, so it becomes an epic tiem of Taiwanese society while remaining a story about teenagers." Cimen! says. "If it were a French film about n teenager who is killed in high school, it would be a film about a teenager who is killed in high school. It would not encompass the French Communist Party, de Gaulle, the Algerian war and so on. To dilate n small event into a view of the world is absolutely not French, although it

With rare exceptions French filmmakers do not con-front current affairs or their country's political and colonial past. Ciment suggests that perhaps this is because the division between Right and Left prevents people from taking in the entire scene. "If do not think American directors would say I am a Republican and therefore I must oot criticize my country during a Republican admin-

"It is hard to understand why ours has become a very self-centered cinema, very narcissistic in many ways, very psychological and intimate, and rarely has any epic scope. Epic in the sense of having a sense of history, which you certainly doo't find here in literature or in film." Positif began in 1952 in Lyon, founded by Bernard



Film critic Michel Ciment with filmmaker John Boorman.

Chardère, who recruited some of his critics from a nearby TB sanatorium where students and teachers were treated Roland Barthes had been cured there and later studentpatients founded a film club. "Edited in the deceptive calm of the provinces," was the slightly patronizing wel-come Cahiers du Cinéma gave Positif from Paris.

Positif moved to Paris when Chardere was drafted and sent to Algeria. From its provincial origins it retains a tone of undoctrinaire enthusiasm and a happy lack of Parisianism. "I think the magazine has always been provincial and international, avoiding the Parisian point of view," Ciment says. In the early days several young Surrealists joined its board. "Surrealism always had international connections compared to other French literary move-ments which remained totally French."

The moothly magazine's 40th birthday celebrations have been suitably international, beginning last May at the Cannes festival. New York's MOMA had a homage to Positif last month and the British Film Institute will have one in January. Rome and Luxembourg are also scheduled, and Ciment was off to Barcelona to open a month of films chosen by the magazine and for the publication of a 300-page anthology of Positif criticism

From its start, Positif was in conflict with Cahiers du Cinema, a conflict based in part, Ciment says, on the fact that Cahiers was politically conservative while Positif was of the oon-Communist left. Cahiers, for example, admired Hitchcock more than Positif did.

"Cahiers at the time was very Christian and conservative and had a tendency to look for miracles and Grace and God in Hitchcock's films. We supported people like Huston, Buduel or Wajda or Antonioni who were not dealing with spiritual issues at a time when the Church still played an important role and everyone was trying to get away from the Jesuit fathers who had taught them in school,"

Positif did not like the New Wave, considering it too self-absorbed, and had what Ciment admits is a blind spot about Godard, adding a paraphrase of Sartre, "We may have been wrong but we were wrong for the right reasons."

Ciment wrote his first article for Positif, on

Orson Welles's "The Trial," in 1962 while working on his master's thesis on D. H. Lawrence. He is a member of the editorial board (there is no editor in chief) which meets Sunday afternoons and like the rest of the staff he is unpaid. After nearly folding, the magazine breaks even with a circulation of 10,000 and has a reliable new publisher, Editions

When n fracas with a previous publisher nearly sent the magazine under in 1990, a petition was signed by directors of many tendencies and nationalities, including Woody Allen, Ingmar Bergman, Federico Fellim and Stanley Kubrick. "I think some of them had oever signed a petition in their lives," Ciment says.

These are dull days in film compared to 1958-75, Ciment says. "But there are still wonderful things

Ciment's favorite new American crime film is Quentin Tarantmo's "Reservoir Dogs," which he says is extremely violent but a stunning first film. Positif has liked the Coen brothers from the start, continues to like Steven Soderbergh, and found a lot of talent in Tim Burton's "Edward Scissorhands" and Batman Returns." Ciment says he finds some of Spike Lee exciting, although he has reservations about the ideology. He would like to see a French "JFK" on, say, the attempt on General de Gaulle's life at Le Petit-Clamart in 1962.

In France, Ciment says, there is plenty of talent but not enough boldness and originality. Among newcomers, he likes Christian Vincent, Arnaud Desplechin and Cedric

"We are sometimes criticized for being anti-French film, but I think the French are too prone to loving their own cinema. Maybe a defect in a lot of French newspaper and weekly magazine criticism is that they feel they are the Red Cross and should absolutely support French cinema because it is in a bad way.

"We look at French cinema the way we look at English cinema, or Italian. We try to look at it as cinema, oot as a national survival enterprise."

If film is less exciting now, it is because there is less of it, Ciment says. "Production is reduced to the United States, France and parts of Asia. In the 1950s Buffuel came from Mexico and Bergman from Sweden. Now there is hardly any Mexican or Swedish cinema left."

But 40 years on, Positif is still here and having a very good year celebrating itself, "It's like directors who are given homages when they are no longer directing. The mportant thing is that we have managed to survive without homages. It would be horrible to have a homage to a beautiful magazine that no longer exists."

1 Biblical verb

LANGUAGE

For All Thy Quoting, Gifts of Gab

By William Safire

WASHINGTON — "With all thy getting," the publisher B. C. Forbes liked to quote from Proverbs 4:7, "get understanding."

With all thy quoting, get a quotation book. The old editions are good, but the new ones are better because people are making new quotations every day.

The heaviest hitters in the field are Bartlett's Familiar Quotations, 16th Edition (Little, Brown), edited by Justin Kaplan, and the Oxford Dictionary of Quotations, New Edition, edited by Angela Partington. If you have to choose, the best buy for Americans is

That's not only because the publisher offers I.400 big pages for \$40 while Oxford falls short of 1,100 pages for \$35; the reason for Bartlett's dominance of the field is its scholarship and zest. When Kaplan quotes Margaret Foller's "I accept the universe," he footnotes Thomas Carlyle's comment, "By God! She'd better." Oxford does it the wrong way around, under Carlyle, making it harder to look up.

In selections from the Book of Job, an interest of mine. Bartlett's has twice the text: Oxford leaves out lines like "He is a king over all the children of pride."
Both stick to the familiar King James Version of 1611;
Oxford should consider shifting to its own beautiful and more accurate Bible translation in future editions. Kaplan is a careful man: He lists "There's no such

thing as a free hunch" under the economist Milton Friedman. I wrote to Milton about the origin of that man. I wrote to Milton about the origin of that adage some years back, and he cheerfully acknowledged it had not been original with him; that's why the quotologist adds a careful "attributed" next to the line. Oxford is more specific about dates, however, and shows better judgment on the selection of the sayings of Ronald Reagan. Both books cite evil empire, but Bart-lett's goes beyond Reagan's 1983 usage to its origin in the 1977 George Lucas film, "Star Wars." (Both also have the line "Go ahead, make my day," delivered first by Clint Eastwood, but only Bartlett's has the right citation. Oxford cites the I971 film "Dirty Harry" as its origin; instead, it started in that film's 1983 sequel, Sudden Impact," written by Joseph C. Stinson.

"The only thing necessary for the triumph of evil is that good men do nothing." If you want to find out how some of us have broken our heads to find the comer of that, get "Nice Guys Finish Seventh: False Phrases, Spurious Sayings and Familiar Misquotations" by Ralph Keyes (HarperCollins, \$18). It wasn't Edmund Burke, and if you were there when it was first said, speak up. Keyes's title is drawn from the way the sportswriter Frank Graham edited Leo Durocher's "The nice guys are all over there. In seventh place."
We remember it as "Nice guys finish last."

Then there's "Dickson's Word Treasury: A Con-noisseur's Collection of Old and New, Weird and Wonderful, Useful and Outlandish Words" by Paul Dickson (Wiley paperback, \$14.95). His chapter on journalese offers such gems as densely wooded area, defined as "where most badly decomposed bodies are found," and flawed, "used by critics in reviews in which they actually enjoyed the film, play, book or whatever but feel compelled to say something negative

Stephen Glazier, who died this year just before his chef d'oeuvre was published, was a modern Peter Mark Roget - a putter-together of word lists. The Random House Word Menu (guess what publisher, \$22) combines dictionary, thesaurus and glossary in an original way that is of great use to writers. Look up cooks, for example, to find baker, barkeeper, confectioner, publican ("manager of tavern") and, among many others, a solution to the waiter-waitress-waitron problem that

some linguistically correct types have posed: server. Under grunts, as a category of speech many other word books neglect, the writer may select from a range including aah, harrumph, la-di-da, oof, ta-da, unh-unh woem and the ever-popular yech.

Palindrome freaks, a small category of word lovers who like to read back and forth, will snap up the slim and somewhat overpriced paperback "If I Had a Hi-Fi" by William Irvine (Laurel, \$5.99), which includes We nic in a pew and Desserts, I stressed and the ambitious Some men interpret nine memos. (Gary Muldoon of Rochester, in the course of explaining to me that the word mnemonic comes from the Greek godders Mnemosyne, contributes a palindrome of interest to parents proud of their grown-up offspring: Diapers repaid.) For serious linguists, the gift of the year is a reprim of Oito Jespersen's 1924 "The Philosophy of Gram-

mar," with an introduction and a new index by James D. McCawley (University of Chicago Press paper-back, \$17.95). When I recently offended who whomniks by opining that than was a preposition, not a conjunction, Professor McCawley rode to my rescue by citing the great Danish linguist Jespersen's conclusion that so-called subordinating conjunctions are prepositions with clause objects. (Anybody still there? Helluva book.)

For librarians of major Wall Street investment houses — not a huge audience, but somebody has to look at for their interests — here's The New Palgrave D: nary of Money and Finance (Stockton Press, 3 volu-\$595). General readers will find more than they want to know about takeovers, leverage and the quantity theory of money, but word freaks will be titillated by such entries as contango, "n fee paid by the buyer who wants to postpone delivery," a suitry dance by the buyer of futures opnions that is the reverse of backwardation.

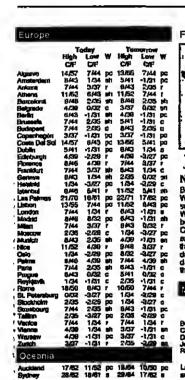
Finally, for word lovers who appreciate an example of simple and lucid writing on a subject of infinite complexity, try the new edition of Robert Jastrow's short classic, "God and the Astronomers" (Norton, \$18.95). By running the big-bang theory backward, scientists must deal with the moment of cosmic creation, a subject usually confined to theologians. To describe the reach of Hubble's Law of the Expanding Universe, he writes, "It applies out only to the Cosmos, but also to inflating balloons and loaves of bread rising in the oven." The bigger the subject, Jastrow demonstrates, the more effective are homely words.

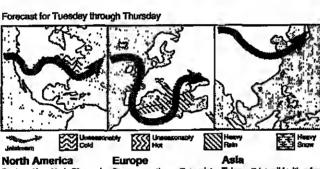
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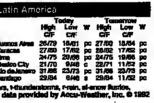
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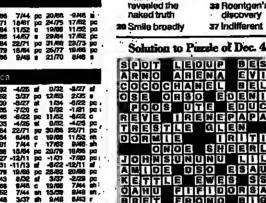
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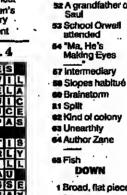


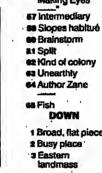
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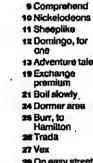
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BOOKS

JFK: Reckless Youth

By Nigel Hamilton. Illustrated. 898 poges. \$30. Random House.

Reviewed by Michiko Kakutani

THE outline of John Fitzgerald A Kennedy's early years is well known to most Americans: the lovehate relationship with his domineering father, Joseph P. Kennedy; the privileged childhood in Boston and New York; the years of academic promise at Harvard; the harrowing survival of the sinking of PT-109 during World War II, and the suc-

cessful run for Congress in 1946. Now, in "Reckless Youth," the first installment of a projected three-volume biography, the Brit-ish biographer Nigel Hamiltoo

trashy novel, one of those epic family sagas peopled with villains and roes, and animated by stark, primordial emotions.

What overcomes these highly noticeable flaws is the sheer accumulation of detail Hamilton has amassed: His minute, often dayby-day chronicle of young Kennedy's life is based on 2,000 interviews and access to previously unpublished documents, and it slowly but steadily steamrollers over the reader's doubts.

As depicted by Hamilton, Jack Kennedy emerges as a charismatic hut conflicted young man, physically hampered by a frail physique and emotionally crippled by his childhood in a dysfunctional family, a childhood that would leave tries to fill in the specifics of that him detached, wary of intimacy dor to Britain - is thoroughly

outline. "JFK" often reads like a and unable to form lasting attachments to women. His mother, Rose, comes across,

in Hamilton's telling, as a chilly, remote woman, obsessed with the Roman Catholic Church, personal hygiene and designer clothing, and incapable of giving her children the affection they craved. Her husband s painted in even darker colors: In volume, he resembles a malevolent movie Godfather.

Using nouns like "coward" and hlackmailer" to describe him, Hamilton dwells, at length, on Jo-seph Kennedy's manipulation of and his obsession with money and power. Hamiltoo's account of the elder Kennedy's advocacy of appeasement of Nazi Germany — while serving as the U.S. ambassa-

damning, as is his depiction of Jo- charm and wit to ingratiate humseph Kennedy's frequent use of scif with others; and while he ea-payoffs and bribes. scif with others; and while he ea-gerly emulated his father's heetic payoffs and bribes.

ft is the young Jack Kennedy's with this dannting father that form the dramatic focus of "JFK," as fledgling politician's eventual drive toward worldly achievement. In his earliest years, Jack's pursuit

of his father's approval tended to take the form of compension with his older brother, Joe, whose death in a World War II flying mission would later lead to Jack's assumption of the family's dynastic ambitions. Whereas Joe Jr., Hamilton re-

parent's wishes, Jack was more inclined to stand politely apart. his deepest beliefs. As a teenager, Jack was sloppy

pursuit of women, he was more ing his ideological stands.

While his elder brother merely well as the impetus behind the parroted their father," Hamilton writes, "Jack's political grappling was his own, and all the more moving because, symbolized in his struggle to confront the underlying issues facing Western democfog of war, there was too the age-old struggle of a son seeking to emerge from his father's shadow.

In the end, Hamilton argues, Jack Kennedy's contentions relaports, dutifully conformed to his tionship with his fither shaped Michiko Kakutani is on the staf

and careless, relying upon his easy of The New York Times.

By Alan Truscott

HERE are many players of great ability who rarely play in national championships but make their mark at the local level. In the New York metropolitan area, Janos Racz, David Kaufman, Simon Erlich and Victor Melman fall in this category. In the 1991-21 Knockout Teams they claimed a string of scalps that included high-ranking squads.

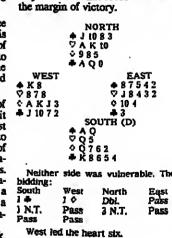
On the diagramed deal Kaufman as South landed in a normal three no-trump contract. Opinions differ about the meaning of North's negative double after one club has been overcalled with one diamond. Many require the doubler to have at least four cards in each major, and some insist on exactly 4-4 disnegative double when they do not

BRIDGE have a five-card major suit, and still another expects a relatively strong hand for a suit bid.

West led a heart against three no-trump, and South took his queen and led the ace and queen of spades. West would have liked to hold up, but he had to take the king. He then cashed the diamond king and shifted to the club jack.

clubs, cashed dummy's major-suit # J 10 7 2 South took the ace and queen of winners and thought it over. West had been forced to come down to clubs, while South had the diamond queen and the K-8 of clubs. Sure of this, Kaufman led a diamond and forced West to lead a club at the 12th trick. He chose a low club, and dummy scored a diamond trick at the finish. That was "only" an overtrick,

worth one imp, but the match was very close and that could have been



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